

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type [] City [X] Township [] Village [] Other		Local Government Name Saginaw Charter Township	County Saginaw
Audit Date March 31, 2005	Opinion Date June 9, 2005	Date Accountant Report Submitted to State: August 16, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

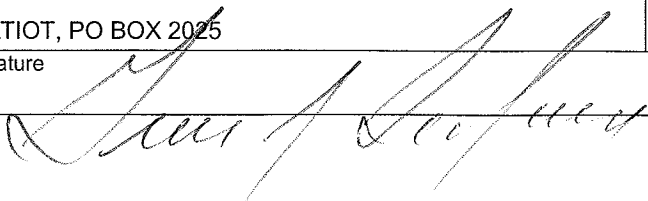
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- [] Yes [X] No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- [X] Yes [] No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- [X] Yes [] No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- [] Yes [X] No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- [] Yes [X] No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- [] Yes [X] No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- [] Yes [X] No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- [] Yes [X] No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- [] Yes [X] No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address 5800 GRATIOT, PO BOX 2025	City SAGINAW	State MI	Zip 48605
Accountant Signature 			



MICHIGAN

Comprehensive Annual Financial Report

For the Year Ended
March 31, 2005

**SAGINAW CHARTER TOWNSHIP
MICHIGAN**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2005

Prepared by the Saginaw Charter Township Fiscal Services Division

Michele L. Gadd, Director, Fiscal Services Department

Toni M. Whelton, Typist/Analyst

SAGINAW CHARTER TOWNSHIP

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PRINCIPAL
TOWNSHIP OFFICIALS

TOWNSHIP BOARD – MARCH 31, 2005

TIMOTHY J. BRAUN – SUPERVISOR

SHIRLEY M. WAZNY – CLERK

WILLIAM J. McQUILLAN - TREASURER

STEVEN G. GERHARDT

FLORENCE P. CONNOLLY

RICHARD T. NEIDERQUILL

AMY J. SEAVER

TOWNSHIP MANAGER

RONALD LEE

DIRECTOR OF FISCAL SERVICES

MICHELE L. GADD

DIRECTOR OF ASSESSING

DAVID J. KERN

DIRECTOR OF COMMUNITY DEVELOPMENT

MATTHEW J. RENO

FIRE CHIEF

RICHARD G. POWELL

POLICE CHIEF

DONALD F. PUSSEHL, JR.

DIRECTOR OF PUBLIC SERVICES

GERALD C. FRANCIS

TOWNSHIP ATTORNEY

MARK T. MAHLBERG

August 1, 2005

Saginaw Charter Township Board
Saginaw, Michigan

The Comprehensive Annual Financial Report of Saginaw Charter Township, Michigan, for the fiscal year ended March 31, 2005 is submitted herewith. This report was prepared by the Saginaw Charter Township Fiscal Services Department with assistance from the Township's Independent Auditors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Township. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Township, as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial activity have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The **introductory section** includes this transmittal letter, a list of principal officials and the Certificate of Achievement for Excellence in Financial Reporting. The **financial section** includes Management's Discussion and Analysis, the basic financial statements and the combining fund statements, as well as the auditor's report on the financial statements. The **statistical section** includes, at a minimum, the required GFOA financial and demographic information, generally presented on a multi year basis.

This report includes all funds of the Township and its component unit as defined in Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." The Township has implemented GASB Statement No. 14, which sets forth criteria for including/excluding certain related entities in the Township's financial statements. As a result, the Economic Development Corporation is included as a discretely presented component unit in the financial statements.

PROFILE OF THE GOVERNMENT:

The management of the Township is overseen by an elected Township board. Saginaw Charter Township is the second largest governmental unit in Saginaw County, Michigan, with a 2000 Census population of 39,657. Saginaw Township is a residential and retail community with two small light industrial areas. It serves the Tri-Cities area of Saginaw, Bay City, and Midland.



The Township provides many services to the Township residents including police, fire, sanitation, water, planning and zoning, recreation, refuse collection, library and general administrative services.

FACTORS AFFECTING FINANCIAL CONDITION:

Local Economy:

The Township continues to experience growth and development through economic and residential expansion. While much of the focus in the past has been on the Bay Road corridor, the Township has seen growth in other areas of the community. Following is a summary of some recent developmental activity in the Township.

Commercial:

During 2004, much of the commercial growth was in retail and personal services along the State Street and Bay Road corridors. Future projections for economic growth are optimistic as Saginaw Township continues to grow as a regional medical center in addition to its current position as a regional shopping center.

Residential:

The increase in housing construction over the past several years is spurring increased commercial expansion. As the Township continues to grow as a retail and medical center, we expect a steady growth in valuation and in demand for services. New housing in 2004-05 was again a prominent part of the surge in development.

Major Initiatives:

In 2005 the Township's strategic plan includes the following projects:

- Continued update of the Master Plan
- Continued sidewalk development
- Water transmission system improvements
- Continue the repaving of one more subdivision under a cost sharing program
- Implement a plan for the Bay Road and Tittabawassee Road corridors
- Establish a Downtown Development Authority to assist our commercial corridors
- Develop a new zoning district for hi-tech manufacturing along Tittabawassee Road
- Joint planning and coordination with neighboring jurisdictions

Future years:

- Continued water transmission system improvements
- Updated sewer utility planning, as required by the State
- Continued construction of road improvements
- Traffic Management initiatives

Financial Management:

The Township Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Control:

The Township maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board of Trustees. Activities of the General and Special Revenue Funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity in the General Fund and at the fund level for Special Revenue Funds. The Township also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

Cash and Investments:

During the year, idle cash is temporarily invested in obligations of the U.S. Government and in Certificates of Deposit ranging from 30 to 180 days to maturity, in short-term repurchase agreements with local banks, in daily interest savings accounts and in interest-bearing checking accounts.

Pension Trust Fund Operations:

These plans are managed through the Township Clerk's Office and the Township Treasurer's office in conjunction with several outside financial institutions and investment firms.

Risk Management:

Saginaw Charter Township is self insured for general liability, errors and omissions and property claims through the Michigan Municipal Risk Management Authority. The Township's Self-Insured Plan is certified by the State of Michigan on an annual basis to insure sufficiency of funds, and sufficiency of reinsurance coverage within the fund.

OTHER INFORMATION:**Independent Audit:**

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson was selected by the Saginaw Charter Township Board of Trustees to perform the Township's annual audit. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Generally accepted accounting standards require that management provide a narrative introduction, overview, and analysis to accompany these basic financial statements in the form of a management's discussion and analysis (MD&A) letter. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Saginaw Charter Township's MD&A can be found immediately following the report of the independent auditors.

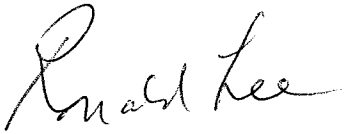
Awards:

It is with great pleasure I report that last year's 2004 Comprehensive Annual Financial Report, as approved by the Township Board, did again receive the Certificate of Achievement for Excellence in Financial Reporting as given by the Government Finance Officers Association (GFOA). The receipt of this award indicates that the Saginaw Charter Township has achieved the highest standards in government accounting and financial reporting as prescribed by the accounting and reporting profession. This Certificate has been inserted as part of the Introductory Section of this report.

Acknowledgements:

Appreciation is extended to the Fiscal Services Department and various employees throughout the Township responsible for financial management and reporting. Their adherence to following the law, utilizing proper accounting methods and eliminating waste from processes has greatly improved the efficiency and accountability of the entire Township.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ronald Lee".

Ronald Lee, Township Manager

A handwritten signature in cursive script, appearing to read "Michele L. Gadd".

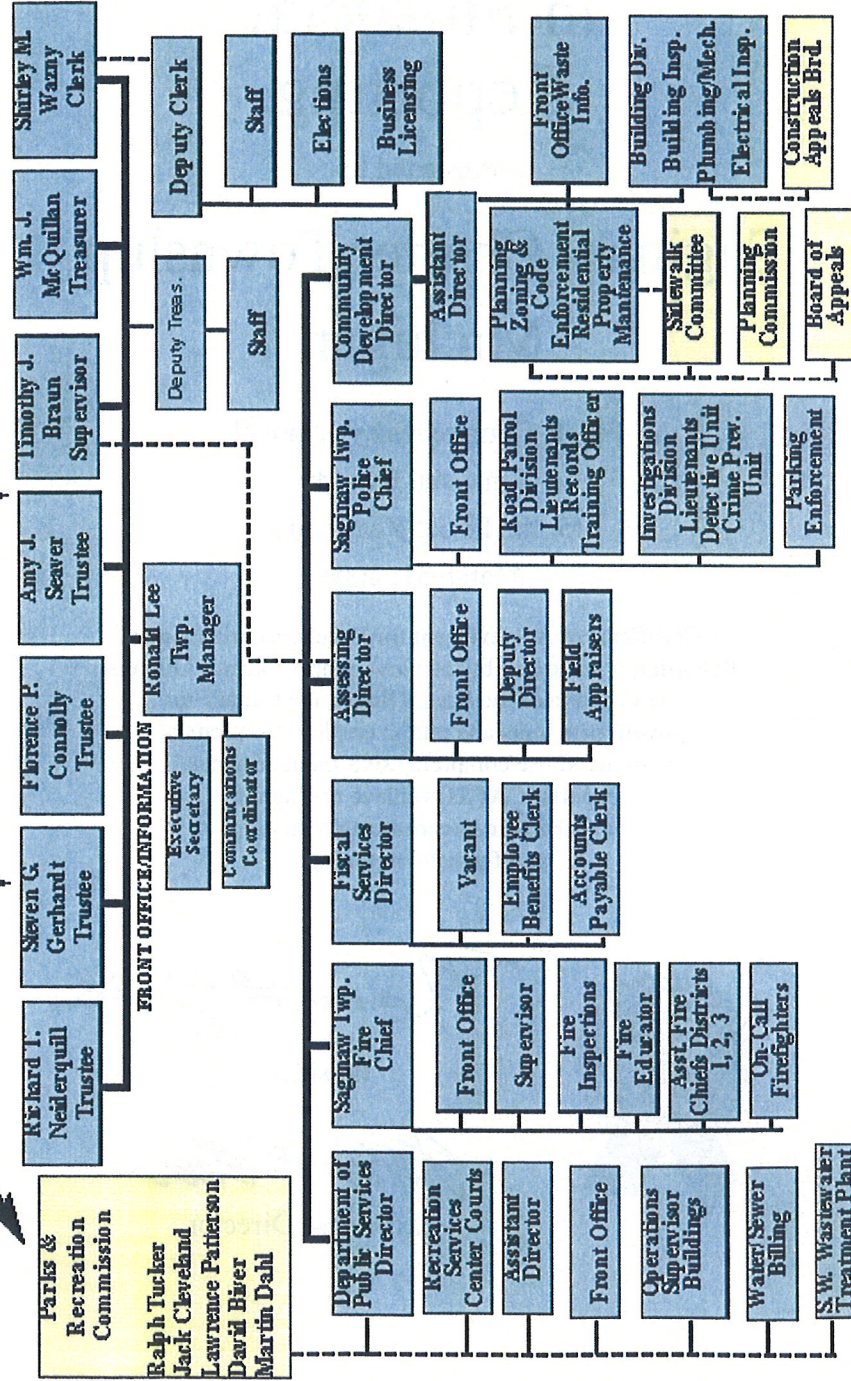
Michele L. Gadd, Director of Fiscal Services

SAGINAW CHARTER TOWNSHIP ORGANIZATION CHART

VOTERS OF SAGINAW CHARTER TOWNSHIP

TOWNSHIP BOARD

Organization
Chart updated
11/08/04 (Quark)



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Saginaw Charter Township,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

INDEPENDENT AUDITORS' REPORT

June 9, 2005

Members of the Township Board
Saginaw Charter Township
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of ***Saginaw Charter Township***, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of ***Saginaw Charter Township***, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Fire Protection, Police and Garbage and Rubbish Collection governmental funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2005, on our consideration of **Saginaw Charter Township's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considering in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Saginaw Charter Township's** basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

Management's Discussion and Analysis

As management of *Saginaw Charter Township, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$66,634,717 (*net assets*). Of this amount, \$16,598,460 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,558,623.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$13,315,536, an increase of \$754,106 in comparison with the prior year. More than 94 percent of this total amount, or \$12,625,582, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,752,334 or 77 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, and recreation and cultural. The business-type activities of the Township include sanitary sewer and water operations.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire protection, police fund and garbage and rubbish collection funds, each of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 16-24 of this report.

Proprietary funds. The Township maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the Township's various functions. The Township uses internal service funds to account for its self insurance operations for employees healthcare coverage and property and liability coverage. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer and water operations, both of which are considered to be major funds of the Township. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statement can be found on page 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-52 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the accompanying notes. Combining and individual fund statements and schedules can be found on pages 51-68 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Saginaw Charter Township, assets exceeded liabilities by \$66,634,717 at the close of the most recent fiscal year.

One of the largest portions of the Township's net assets (75 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Saginaw Charter Township's Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2004	2005	2004	2005	2004	2005
Current and other assets	\$14,097,085	\$15,102,826	\$1,947,073	\$2,555,764	\$16,044,158	\$17,658,590
Capital assets	11,391,244	10,904,143	43,961,381	43,909,405	55,352,625	54,813,548
Total assets	25,488,329	26,006,969	45,908,454	46,465,169	71,396,783	72,472,138
Long-term liabilities outstanding	100,000	159,513	4,771,500	4,314,858	4,871,500	4,474,371
Other liabilities	946,546	731,696	628,866	631,354	1,575,412	1,363,050
Total liabilities	1,046,546	891,209	5,400,366	4,946,212	6,446,912	5,837,421
Net assets						
Invested in capital assets, net of related debt	11,391,244	10,904,143	38,741,309	39,132,114	50,132,553	50,036,257
Unrestricted	13,050,539	14,211,617	1,766,779	2,386,843	14,817,318	16,598,460
Total net assets	\$24,441,783	\$25,115,760	\$40,508,088	\$41,518,957	\$64,949,871	\$66,634,717

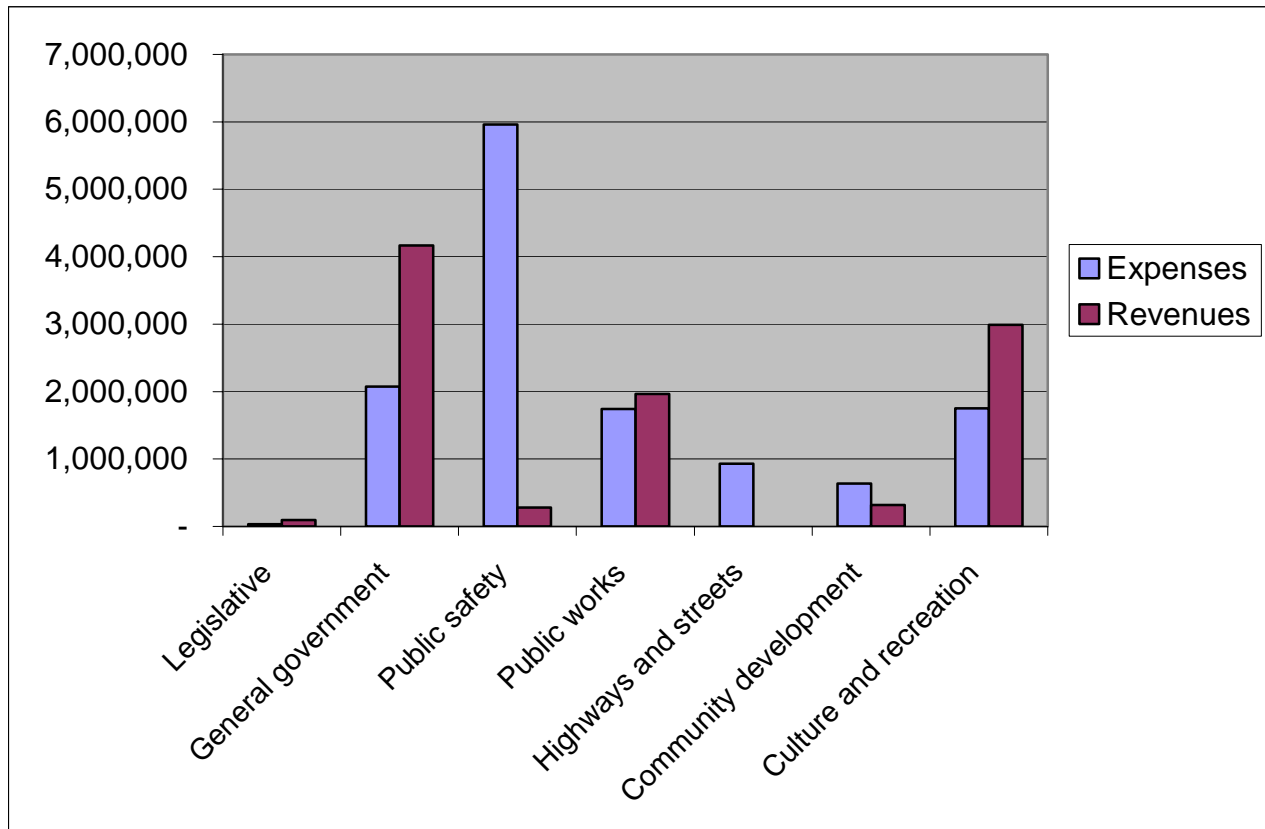
The Township's net assets increased by \$1,558,623 during the current fiscal year. This growth largely reflects the degree to which ongoing revenues exceeded ongoing expenses.

Saginaw Charter Township's Changes in Net Assets

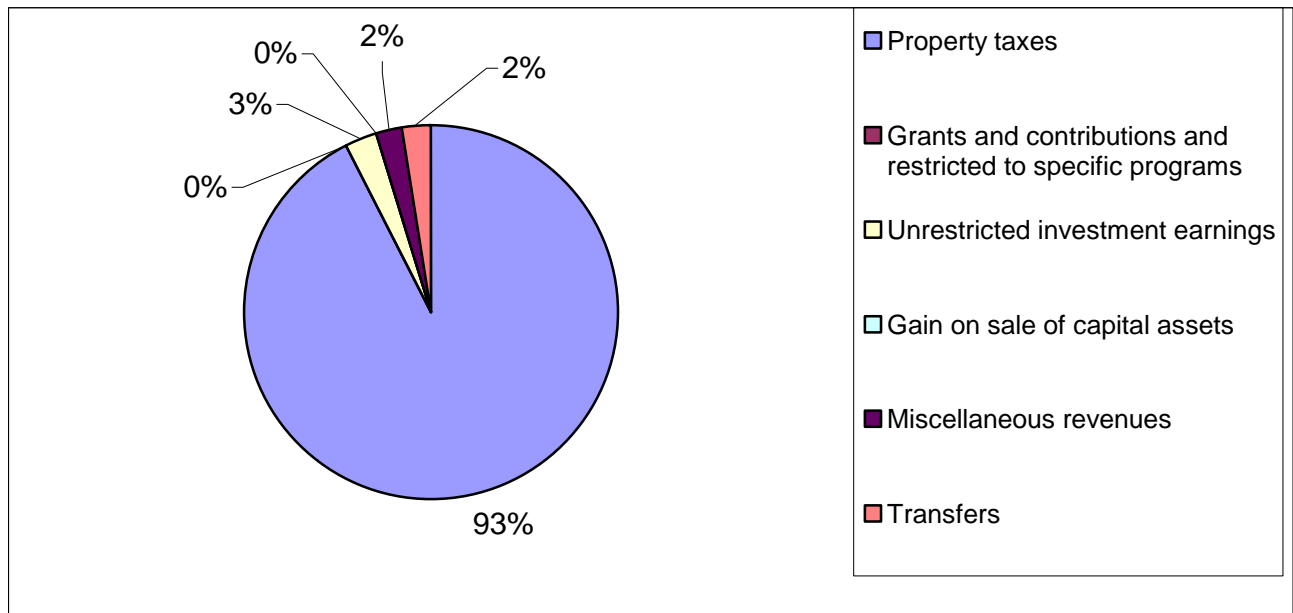
	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
Revenues:						
Program revenue:						
Charges for services	\$3,298,942	\$ 3,840,250	\$ 7,835,896	\$ 7,793,237	\$11,134,838	\$11,633,487
Operating grants and contributions	302,427	209,941	-	-	302,427	209,941
Capital grants and contributions	250	-	924,804	1,383,874	925,054	1,383,874
General revenue:						
Property taxes	5,954,607	6,132,664	-	-	5,954,607	6,132,664
Grants and contributions not restricted to specific programs	3,104,502	3,077,139	-	-	3,104,502	3,077,139
Unrestricted investment earnings	102,369	183,776	-	18,860	102,369	202,636
Gain on sale of capital assets	-	-	2,879	7,392	2,879	7,392
Miscellaneous	6,331	142,798	-	47,199	6,331	189,997
Total revenues	12,769,428	13,586,568	8,763,579	9,250,562	21,533,007	22,837,130
Expenses:						
Lesislative	-	32,197	-	-	-	32,197
General government	1,981,056	2,075,963	-	-	1,981,056	2,075,963
Public safety	6,073,936	5,961,615	-	-	6,073,936	5,961,615
Public works	1,454,166	1,741,384	-	-	1,454,166	1,741,384
Highways and streets	991,688	931,892	-	-	991,688	931,892
Community development	617,611	637,549	-	-	617,611	637,549
Recreation and culture	1,643,395	1,750,798	-	-	1,643,395	1,750,798
Sewer	-	-	4,577,175	4,698,809	4,577,175	4,698,809
Water	-	-	4,009,963	3,448,300	4,009,963	3,448,300
Total expenses	12,761,852	13,131,398	8,587,138	8,147,109	21,348,990	21,278,507
Increase in net assets before transfers	7,576	455,170	176,441	1,103,453	184,017	1,558,623
Transfers	186,727	164,732	(186,727)	(164,732)	-	-
Change in net assets	194,303	619,902	(10,286)	938,721	184,017	1,558,623
Net assets, beginning of year, as restated	24,247,480	24,495,858	40,518,374	40,580,236	64,765,854	65,076,094
Net assets, end of year	\$24,441,783	\$25,115,760	\$40,508,088	\$41,518,957	\$64,949,871	\$66,634,717

Governmental activities. Governmental activities increased the Township's net assets by \$619,902 resulting in about 2.5 percent growth in the net assets of the Township. This minimal increase is a result of Township revenues and expenses remaining relatively constant, with revenues slightly out pacing expenses.

Expenses and Program Revenues - Governmental Activities

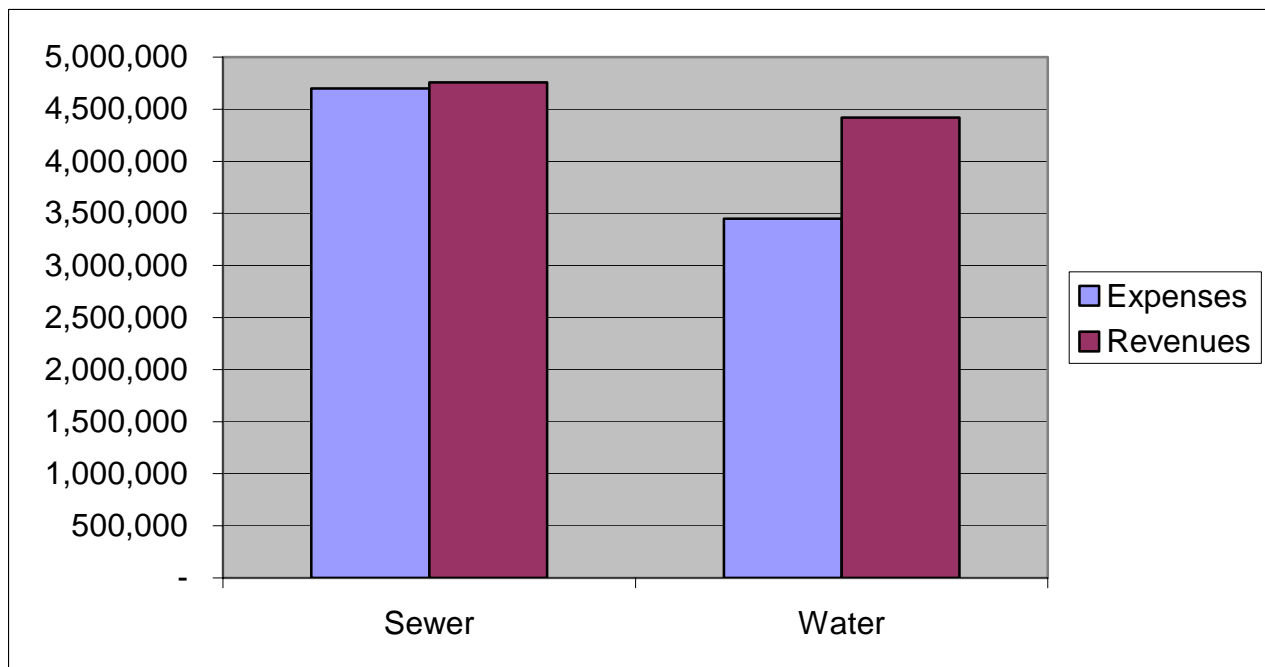


Revenues by Source - Governmental Activities

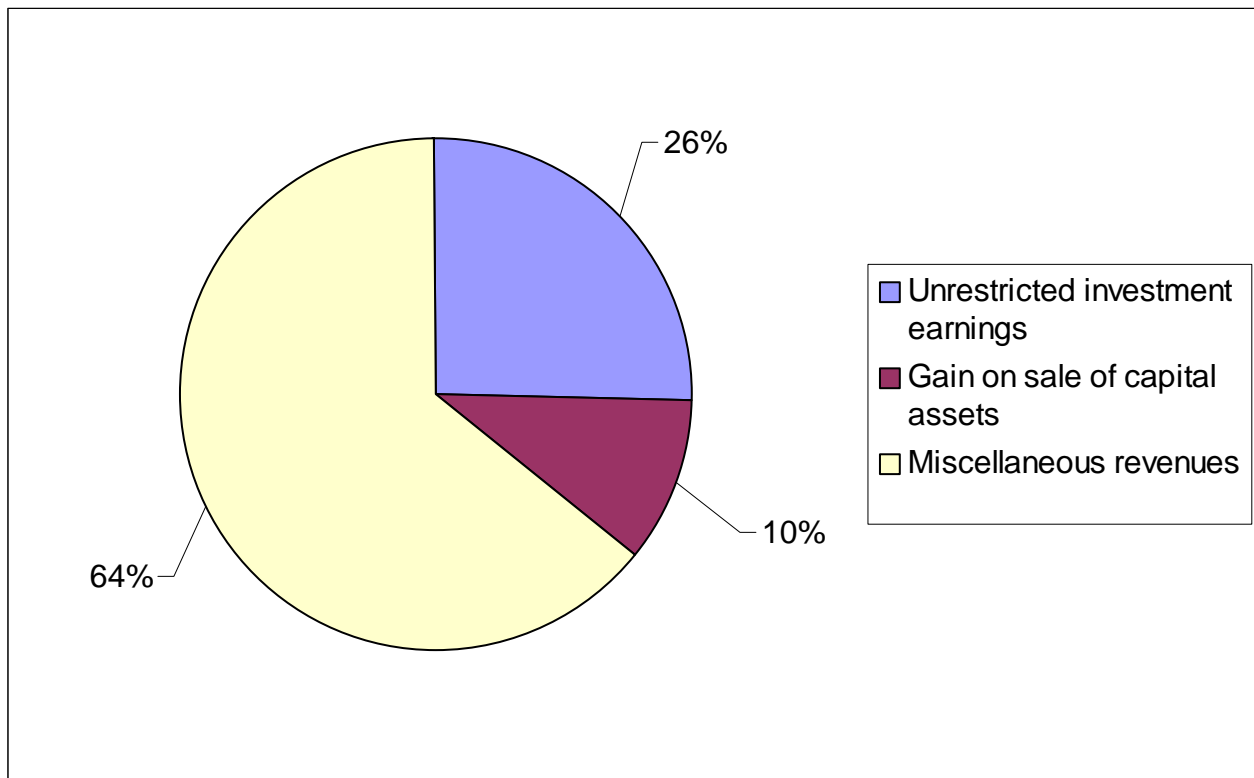


- **Business-type activities.** Business-type activities increased the Township's net assets by \$938,712.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$13,315,536, an increase of \$754,106 in comparison with the prior year. Approximately 94.8 percent of this total amount (\$12,625,582) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for other restricted purposes (\$24,750), or 2) for long-term advances (\$665,204).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,752,334, and total fund balance was \$4,436,427. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 77 percent of total general fund expenditures.

The fund balance of the Township's general fund increased by \$304,693 during the current fiscal year. The increase is attributable to revenues in excess of expenditures, coupled with transfers out to the Police and Community Development funds.

The Fire Protection fund has a total fund balance of \$1,106,821, which increased by \$131,742 during the year. The increase is primarily attributable to an increase in the property tax levy for fire fund operations.

The Police fund has a total fund balance of \$5,211,204, which increased by \$378,952 during the year. The increase is primarily attributable to an increase in the property tax levy and transfer in from the General Fund for police fund operations, coupled with a reduction in expenses.

The Garbage and Rubbish Collection fund has a total fund balance of \$1,300,930, which increased slightly, by \$31,865 during the year. The increase is attributable to the stable contractual service costs.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net assets of the Water and Sewer funds at the end of the year amounted to \$19,809,928 and \$21,639,924, respectively. The Sewer fund had a decrease in net assets for the year of \$56,256 and the Water fund had a increase in net assets for the year of \$925,872. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures were relatively minor and the adjustments were made as a part of the Township's budget procedures to address changes in activity during the year.

Budget to actual comparisons for the Township's general fund were generally favorable.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2005, amounted to \$54,813,548 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements and machinery and equipment.

Saginaw Charter Township's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 667,710	\$ 261,573	\$ 929,283
Construction in progress	-	427,653	427,653
Land improvements	2,120,164	-	2,120,164
Buildings and systems	6,422,741	42,727,339	49,150,080
Equipment	252,374	361,495	613,869
Vehicles	<u>1,441,154</u>	<u>131,345</u>	<u>1,572,499</u>
Total net assets	<u>\$ 10,904,143</u>	<u>\$ 43,909,405</u>	<u>\$54,813,548</u>

Additional information on the Township's capital assets can be found in note III C on pages 39-41 of this report.

Long-term debt. At the end of the current fiscal year, the Township had total debt outstanding of \$5,330,548. Of this amount, \$4,777,291 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), \$513,257 represents accrued compensated absences, and \$40,000 for the postclosure landfill liability.

Saginaw Charter Township's Outstanding Debt

General Obligation and Revenue Bonds

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Contracts payable	\$ -	\$ 4,777,291	\$ 4,777,291
Accrued compensated absences	513,257	-	513,257
Landfill liability	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total net debt	<u>\$ 553,257</u>	<u>\$ 4,777,291</u>	<u>\$ 5,330,548</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$138,423,280, which is significantly in excess of the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in note III E on pages 43-44 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2005-06 fiscal year:

- The March 2005 unemployment rate for the Saginaw County metropolitan area (the Township is in the Saginaw area) was 8.7 percent, which is a decrease from a rate of 9.1 percent a year ago. The Township rate was 5.3 percent. The State average was 7.6 percent and the National rate was 5.4 percent.
- The Township is comprised principally of residential areas with several key commerce corridors. There is a stable business base.
- Inflationary trends in the region compare favorably to national indices.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Fiscal Services Department, 4980 Shattuck Rd, Saginaw, Michigan 48603.

SAGINAW CHARTER TOWNSHIP
STATEMENT OF NET ASSETS
MARCH 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 10,355,204	\$ 1,702,162	\$ 12,057,366	\$ 2,775
Investments	2,273,110	-	2,273,110	-
Accounts receivable	1,659,815	1,359,385	3,019,200	-
Internal balances	740,059	(740,059)	-	-
Prepaid items and other assets	39,081	8,157	47,238	-
Inventory	35,557	226,119	261,676	-
Non-depreciable capital assets	667,710	689,226	1,356,936	-
Capital assets, net of depreciation	10,236,433	43,220,179	53,456,612	-
Total assets	26,006,969	46,465,169	72,472,138	2,775
Liabilities				
Accounts payable	258,347	101,742	360,089	-
Accrued liabilities	46,156	67,179	113,335	-
Unearned revenue	33,449	-	33,449	-
Noncurrent liabilities:				
Due within one year	393,744	462,433	856,177	-
Due in more than one year	159,513	4,314,858	4,474,371	-
Total liabilities	891,209	4,946,212	5,837,421	-
Net Assets				
Invested in capital assets, net of related debt	10,904,143	39,132,114	50,036,257	-
Restricted for:				
Other purposes	-	-	-	2,775
Unrestricted	14,211,617	2,386,843	16,598,460	-
Total net assets	\$ 25,115,760	\$ 41,518,957	\$ 66,634,717	\$ 2,775

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
Legislative	\$ 32,197	\$ 96,718	\$ -	\$ -
General government	2,075,963	1,096,050	-	-
Public safety	5,961,615	69,372	209,941	-
Public works	1,741,384	1,963,398	-	-
Highways and streets	931,892	-	-	-
Community development	637,549	316,421	-	-
Recreation and culture	1,750,798	298,291	-	-
Total governmental activities	<u>13,131,398</u>	<u>3,840,250</u>	<u>209,941</u>	<u>-</u>
Business-type activities:				
Sewer	4,698,809	4,010,527	-	748,226
Water	3,448,300	3,782,710	-	635,648
Total business-type activities	<u>8,147,109</u>	<u>7,793,237</u>	<u>-</u>	<u>1,383,874</u>
Total primary government	<u>\$ 21,278,507</u>	<u>\$ 11,633,487</u>	<u>\$ 209,941</u>	<u>\$ 1,383,874</u>
Component unit				
Economic Development Corporation	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF ACTIVITIES (CONCLUDED)
FOR THE YEAR ENDED MARCH 31, 2005**

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (9,081,207)	\$ 1,030,002	\$ (8,051,205)	\$ (79)
General revenues:				
Property taxes	6,132,664	-	6,132,664	-
Grants and contributions not restricted to specific programs	3,077,139	-	3,077,139	-
Unrestricted investment earnings	183,776	18,860	202,636	19
Gain on sale of capital assets	-	7,392	7,392	-
Miscellaneous revenues	142,798	47,199	189,997	-
Transfers - internal activities	164,732	(164,732)	-	-
Total general revenues and transfers	9,701,109	(91,281)	9,609,828	19
Change in net assets	619,902	938,721	1,558,623	(60)
Net assets, beginning of year, as restated	24,495,858	40,580,236	65,076,094	2,835
Net assets, end of year	\$ 25,115,760	\$ 41,518,957	\$ 66,634,717	\$ 2,775

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2005**

	FIRE		
	GENERAL	PROTECTION	POLICE
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,571,467	\$ 881,927	\$ 4,183,372
Investments	475,386	163,109	773,740
Receivables:			
Current and delinquent property taxes	121,460	61,070	266,323
Special assessments	195,442	-	-
Accounts, (net of allowance for doubtful accounts)	12,841	3,605	48,035
Advance to Soccer Association	25,204	-	-
Due from other funds	169,164	-	-
Advance to other funds	640,000	-	-
Due from other governmental units	448,110	-	-
Due from others	7,499	-	-
Inventory	35,557	-	-
Prepaid expenditures	18,889	59	130
<u>TOTAL ASSETS</u>	<u>\$ 4,721,019</u>	<u>\$ 1,109,770</u>	<u>\$ 5,271,600</u>

The accompanying notes are an integral part of these financial statements.

GARBAGE AND RUBBISH COLLECTION	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 1,004,520	\$ 1,103,250	\$ 9,744,536
185,792	51,675	1,649,702
-	5,310	454,163
-	254,535	449,977
132,511	805	197,797
-	-	25,204
-	-	169,164
-	-	640,000
67,543	-	515,653
-	-	7,499
-	-	35,557
-	5,672	24,750
\$ 1,390,366	\$ 1,421,247	\$ 13,914,002

Continued

SAGINAW CHARTER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2005

	GENERAL	FIRE PROTECTION	POLICE
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 40,585	\$ 2,949	\$ 30,091
Accrued liabilities	42,806	-	3,350
Deposits payable	5,759	-	-
Deferred revenue	195,442	-	26,955
	<hr/>		
TOTAL LIABILITIES	284,592	2,949	60,396
	<hr/>		
FUND BALANCES:			
Reserved for:			
Prepaid expenditures	18,889	59	130
Advance to Soccer Association	25,204	-	-
Long-term advances	640,000	-	-
Unreserved			
Designated - Center Courts	216,589	-	-
Undesignated - Major funds	3,535,745	1,106,762	5,211,074
Undesignated - Nonmajor special revenue funds	-	-	-
Undesignated - Nonmajor capital projects funds	-	-	-
	<hr/>		
TOTAL FUND BALANCES	4,436,427	1,106,821	5,211,204
	<hr/>		
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 4,721,019</u>	<u>\$ 1,109,770</u>	<u>\$ 5,271,600</u>

The accompanying notes are an integral part of these financial statements.

GARBAGE AND RUBBISH COLLECTION	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 89,436	\$ 196	\$ 163,257
-	-	46,156
-	-	5,759
-	160,897	383,294
89,436	161,093	598,466
-	5,672	24,750
-	-	25,204
-	-	640,000
-	-	216,589
1,300,930	-	11,154,511
-	161,972	161,972
-	1,092,510	1,092,510
1,300,930	1,260,154	13,315,536
\$ 1,390,366	\$ 1,421,247	\$ 13,914,002

SAGINAW CHARTER TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2005

Fund balances - total governmental funds	\$ 13,315,536
------------------------------------------	---------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets	18,955,879
Subtract: accumulated depreciation	(8,051,736)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add: current year deferred special assessments	349,845
------------------------------------------------	---------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	1,099,493
------------------------------------------------------------------------------------	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: compensated absences	(513,257)
Subtract: long-term liabilities	(40,000)

Net assets of governmental activities	<u><u>\$ 25,115,760</u></u>
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The accompanying notes are an integral part of these financial statements.

SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2005

	GENERAL	FIRE PROTECTION	POLICE
REVENUES			
Taxes	\$ 1,520,853	\$ 1,340,022	\$ 3,567,319
Licenses and permits	450,874	-	24,917
Intergovernmental	3,070,105	-	122,723
Charges for services	272,701	1,318	16,550
Fines and forfeits	138,040	-	-
Special assessments	360,401	-	-
Interest and rent	83,913	8,977	42,355
Other revenue	190,025	10,208	140,498
TOTAL REVENUES	6,086,912	1,360,525	3,914,362
EXPENDITURES			
Current:			
General government	1,318,362	-	-
Public safety	111,345	1,170,706	4,429,745
Highway and streets	884,266	-	-
Public works	115,958	-	-
Community development	-	-	-
Recreation and cultural	1,549,196	-	-
Other	882,418	-	-
TOTAL EXPENDITURES	4,861,545	1,170,706	4,429,745
REVENUES OVER (UNDER) EXPENDITURES	1,225,367	189,819	(515,383)
OTHER FINANCING SOURCES (USES)			
Transfers in	576,260	-	1,196,434
Transfers (out)	(1,496,934)	(58,077)	(302,099)
TOTAL OTHER FINANCING SOURCES (USES)	(920,674)	(58,077)	894,335
NET CHANGE IN FUND BALANCES	304,693	131,742	378,952
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	4,131,734	975,079	4,832,252
FUND BALANCES, END OF YEAR	\$ 4,436,427	\$ 1,106,821	\$ 5,211,204

The accompanying notes are an integral part of these financial statements.

GARBAGE AND RUBBISH COLLECTION	OTHER GOVERNMENTAL FUNDS	TOTAL
\$ 1,426,704	\$ 116,475	\$ 7,971,373
-	316,421	792,212
-	14,496	3,207,324
48,914	234,917	574,400
-	-	138,040
-	-	360,401
8,587	26,639	170,471
1,582	4,198	346,511
1,485,787	713,146	13,560,732
-	-	1,318,362
-	178,505	5,890,301
-	-	884,266
1,453,922	233,872	1,803,752
-	637,549	637,549
-	5,514	1,554,710
-	-	882,418
1,453,922	1,055,440	12,971,358
31,865	(342,294)	589,374
-	379,777	2,152,471
-	(130,629)	(1,987,739)
-	249,148	164,732
31,865	(93,146)	754,106
1,269,065	1,353,300	12,561,430
\$ 1,300,930	\$ 1,260,154	\$ 13,315,536

**SAGINAW CHARTER TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005**

Net change in fund balances - total governmental funds	\$	754,106
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation

Add: capital outlay		284,622
Subtract: loss on disposal of capital assets		(13,763)
Subtract: depreciation expense		(757,960)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add: change in deferred special assessments		9,370
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The reduction of the Township's long-term liability for environmental remediation did not provide current financial resources, and was consequently not reported in the funds.

Add: reduction of long-term liability for environmental remediation		60,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Subtract: increase in the accrual of compensated absences		(9,703)
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Add: interest revenue from governmental internal service funds		16,465
Add: net operating income from governmental activities accounted for in internal service funds		276,765

Change in net assets of governmental activities	\$	619,902
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The accompanying notes are an integral part of these financial statements.

SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Taxes	\$ 1,509,875	\$ 1,509,875	\$ 1,520,853	\$ 10,978
Licenses and permits	482,727	482,727	450,874	(31,853)
Intergovernmental - State	3,112,000	3,112,000	3,070,105	(41,895)
Charges for services	206,000	206,000	272,701	66,701
Fines and forfeits	123,100	123,100	138,040	14,940
Special assessments	361,267	361,267	360,401	(866)
Interest and rent	94,495	94,495	83,913	(10,582)
Other	532,127	532,127	190,025	(342,102)
TOTAL REVENUES	<u>6,421,591</u>	<u>6,421,591</u>	<u>6,086,912</u>	<u>(334,679)</u>
EXPENDITURES				
Current:				
General government	1,455,221	1,454,976	1,318,362	(136,614)
Public safety	126,240	147,024	111,345	(35,679)
Public works	139,730	139,730	115,958	(23,772)
Highway and Streets	929,192	960,062	884,266	(75,796)
Recreation and cultural	1,686,752	1,693,093	1,549,196	(143,897)
Other	1,023,440	951,040	882,418	(68,622)
TOTAL EXPENDITURES	<u>5,360,575</u>	<u>5,345,925</u>	<u>4,861,545</u>	<u>(484,380)</u>
REVENUES OVER EXPENDITURES	<u>1,061,016</u>	<u>1,075,666</u>	<u>1,225,367</u>	<u>149,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	710,762	710,762	576,260	(134,502)
Transfers (out)	<u>(1,771,778)</u>	<u>(1,786,428)</u>	<u>(1,496,934)</u>	<u>289,494</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,061,016)</u>	<u>(1,075,666)</u>	<u>(920,674)</u>	<u>154,992</u>
NET CHANGE IN FUND BALANCES	-	-	304,693	304,693
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>4,131,734</u>	<u>4,131,734</u>	<u>4,131,734</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,131,734</u>	<u>\$ 4,131,734</u>	<u>\$ 4,436,427</u>	<u>\$ 304,693</u>

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Property taxes	\$ 1,315,422	\$ 1,315,422	\$ 1,340,022	\$ 24,600
Charges for services	550	550	1,318	768
Interest	5,000	5,000	5,817	817
Rent	2,800	2,800	3,160	360
Donations	-	-	150	150
Miscellaneous	250	250	10,058	9,808
TOTAL REVENUES	<u>1,324,022</u>	<u>1,324,022</u>	<u>1,360,525</u>	<u>36,503</u>
EXPENDITURES				
Public safety:				
Salaries	505,595	505,595	461,532	(44,063)
Contractual services	12,000	12,000	11,777	(223)
Volunteer firemen	254,000	254,000	253,162	(838)
Supplies	71,000	71,000	73,626	2,626
Services	18,000	18,000	8,679	(9,321)
Gas and oil	8,000	8,000	9,696	1,696
Insurance	52,000	52,000	53,789	1,789
Public utilities	68,100	68,100	59,302	(8,798)
Repairs and maintenance	166,500	166,500	138,302	(28,198)
Education and training	26,000	26,000	28,404	2,404
Computer expense	-	-	13,592	13,592
Miscellaneous	5,000	5,000	4,123	(877)
Workmen's compensation insurance	14,100	14,100	17,773	3,673
Less workmen's comp. dividend	(2,000)	(2,000)	(3,137)	(1,137)
Capital outlay	53,500	53,500	40,086	(13,414)
TOTAL EXPENDITURES	<u>1,251,795</u>	<u>1,251,795</u>	<u>1,170,706</u>	<u>(81,089)</u>
REVENUES OVER EXPENDITURES	<u>72,227</u>	<u>72,227</u>	<u>189,819</u>	<u>117,592</u>
OTHER FINANCING (USES)				
Transfers (out)	<u>(72,227)</u>	<u>(72,227)</u>	<u>(58,077)</u>	<u>(14,150)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>131,742</u>	<u>131,742</u>
FUND BALANCES, BEGINNING OF YEAR	<u>975,079</u>	<u>975,079</u>	<u>975,079</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 975,079</u>	<u>\$ 975,079</u>	<u>\$ 1,106,821</u>	<u>\$ 131,742</u>

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FUND
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Current property taxes	\$ 3,502,985	\$ 3,502,985	\$ 3,567,319	\$ 64,334
Licenses and permits	22,900	22,900	24,917	2,017
Intergovernmental:				
State	125,070	125,070	122,723	(2,347)
Charges for services	18,850	18,850	16,550	(2,300)
Interest and rent	40,000	40,000	42,355	2,355
Other	89,000	89,000	140,498	51,498
TOTAL REVENUES	3,798,805	3,798,805	3,914,362	115,557
EXPENDITURES				
Public safety:				
Salaries	4,055,643	4,055,643	3,869,756	(185,887)
Supplies	107,000	107,000	77,171	(29,829)
Contractual Services	21,350	21,350	14,595	(6,755)
Gas and oil	45,000	45,000	53,404	8,404
Insurance	113,500	113,500	119,126	5,626
Public utilities	23,500	23,500	25,719	2,219
Repairs and maintenance	162,060	162,060	107,799	(54,261)
Education and training	21,500	21,500	15,485	(6,015)
Miscellaneous	12,750	12,750	19,197	6,447
Workmen's compensation insurance	41,700	41,700	47,019	5,319
Less workmen's comp. dividend	(8,000)	(8,000)	(8,298)	(298)
Capital outlay/other	98,500	98,500	88,772	(9,728)
TOTAL EXPENDITURES	4,694,503	4,694,503	4,429,745	(264,758)
REVENUES OVER (UNDER) EXPENDITURES	(895,698)	(895,698)	(515,383)	380,315
OTHER FINANCING SOURCES (USES)				
Transfers in	1,274,939	1,274,939	1,196,434	(78,505)
Transfers (out)	(379,241)	(379,241)	(302,099)	77,142
TOTAL OTHER FINANCING SOURCES(USES)	895,698	895,698	894,335	(1,363)
NET CHANGE IN FUND BALANCES	-	-	378,952	378,952
FUND BALANCES, BEGINNING OF YEAR	4,832,252	4,832,252	4,832,252	-
FUND BALANCES, END OF YEAR	\$ 4,832,252	\$ 4,832,252	\$ 5,211,204	\$ 378,952

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE AND RUBBISH COLLECTION
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Special assessments	\$ 1,432,285	\$ 1,432,285	\$ 1,426,704	(5,581)
Recycling rebate	45,000	45,000	48,914	3,914
Interest and rent	8,000	8,000	8,587	587
Other	1,400	1,400	1,582	182
TOTAL REVENUES	1,486,685	1,486,685	1,485,787	(898)
EXPENDITURES				
Salaries and wages	1,142	1,142	1,060	(82)
Sanitation collection	1,523,373	1,523,373	1,445,968	(77,405)
Supplies	2,000	2,000	419	(1,581)
Other	6,705	6,705	6,475	(230)
TOTAL EXPENDITURES	1,533,220	1,533,220	1,453,922	(79,298)
NET CHANGE IN FUND BALANCES	(46,535)	(46,535)	31,865	78,400
FUND BALANCES, BEGINNING OF YEAR	1,269,065	1,269,065	1,269,065	-
FUND BALANCES, END OF YEAR	<u>\$ 1,222,530</u>	<u>\$ 1,222,530</u>	<u>\$ 1,300,930</u>	<u>\$ 78,400</u>

The accompanying notes are an integral part of these financial statements.

SAGINAW CHARTER TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2005

<u>ASSETS</u>	<u>ENTERPRISE FUNDS</u>			<u>INTERNAL SERVICE FUND</u>
	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>	
CURRENT ASSETS				
Cash and cash equivalents	\$ 982,619	\$ 719,543	\$ 1,702,162	\$ 610,668
Investments	-	-	-	623,408
Accounts receivable - net	1,045,281	314,104	1,359,385	9,522
Due from other funds	7,411	611,486	618,897	-
Inventory	226,119	-	226,119	14,331
Prepaid expenses	8,157	-	8,157	-
TOTAL CURRENT ASSETS	2,269,587	1,645,133	3,914,720	1,257,929
CAPITAL ASSETS				
Non-depreciable assets	457,830	231,396	689,226	-
Property, plant and equipment	26,708,278	46,746,258	73,454,536	-
Less accumulated depreciation	(8,881,844)	(21,352,513)	(30,234,357)	-
TOTAL CAPITAL ASSETS	18,284,264	25,625,141	43,909,405	-
TOTAL ASSETS	20,553,851	27,270,274	47,824,125	1,257,929
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable	37,923	62,819	100,742	89,331
Deposits payable	1,000	-	1,000	-
Current portion - revenue contracts payable	-	462,433	462,433	-
Accrued compensated absences	21,422	45,757	67,179	-
Advance from other funds	-	640,000	640,000	-
Due to other funds	683,578	104,483	788,061	-
TOTAL CURRENT LIABILITIES	743,923	1,315,492	2,059,415	89,331
LONG-TERM LIABILITIES				
Revenue contracts payable	-	4,314,858	4,314,858	-
TOTAL LIABILITIES	743,923	5,630,350	6,374,273	89,331
NET ASSETS				
Invested in capital assets, net of related debt	18,284,264	20,847,850	39,132,114	-
Unrestricted	1,525,664	792,074	2,317,738	1,168,598
TOTAL NET ASSETS	\$ 19,809,928	\$ 21,639,924	41,449,852	\$ 1,168,598
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			69,105	
Net assets of business-type activities			<u>\$ 41,518,957</u>	

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2005**

	ENTERPRISE FUNDS			INTERNAL SERVICE FUND
	WATER FUND	SEWER FUND	TOTAL	
OPERATING REVENUES				
Charges for services	\$ 3,782,710	\$ 4,010,527	\$ 7,793,237	1,717,515
Other	46,776	423	47,199	218
TOTAL OPERATING REVENUES	3,829,486	4,010,950	7,840,436	1,717,733
OPERATING EXPENSES				
Operation and maintenance	669,420	857,456	1,526,876	364,407
Professional services	154,077	152,638	306,715	-
Supplies	35,840	168,649	204,489	-
Other services and charges	34,107	20,481	54,588	84,533
Insurance	69,720	74,532	144,252	922,925
Utilities	21,373	187,101	208,474	-
Cost of goods sold	1,822,269	1,258,690	3,080,959	-
Repairs and maintenance	140,775	299,977	440,752	-
Education and training	2,758	1,149	3,907	-
Depreciation	530,819	1,561,497	2,092,316	-
TOTAL OPERATING EXPENSES	3,481,158	4,582,170	8,063,328	1,371,865
OPERATING INCOME (LOSS)	348,328	(571,220)	(222,892)	345,868
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	4,892	2,500	7,392	-
Interest revenue	5,794	13,066	18,860	16,465
Interest expense	-	(152,886)	(152,886)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	10,686	(137,320)	(126,634)	16,465
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	359,014	(708,540)	(349,526)	362,333
Capital contributions	635,648	748,226	1,383,874	-
Transfers (out)	(68,790)	(95,942)	(164,732)	-
Changes in net assets	925,872	(56,256)	869,616	362,333
Net assets, beginning of year, as restated	18,884,056	21,696,180		806,265
Net assets, end of year	\$ 19,809,928	\$ 21,639,924		\$ 1,168,598
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			69,105	
Change in net assets of business-type activities			\$ 938,721	

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2005**

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS
	WATER FUND	SEWER FUND	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 3,876,162	\$ 4,008,082	\$ 7,884,244	\$ 120,458
Cash payments for interfund services	(31,934)	(74,838)	(106,772)	1,598,403
Cash payments to employees	(669,787)	(857,832)	(1,527,619)	-
Cash payments to suppliers for goods and services	(2,283,806)	(2,191,212)	(4,475,018)	(1,394,475)
NET CASH PROVIDED BY OPERATING ACTIVITIES	890,635	884,200	1,774,835	324,386
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	(68,790)	(95,942)	(164,732)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions	635,648	748,226	1,383,874	-
Acquisition of capital assets	(1,142,655)	(825,267)	(1,967,922)	-
Gain on the sale of capital assets	4,892	2,500	7,392	-
Principal paid on long-term debt	-	(442,781)	(442,781)	-
Interest and fiscal charges paid on long-term debt	-	(152,886)	(152,886)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(502,115)	(670,208)	(1,172,323)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	-	-	-	(623,408)
Interest on investments	5,794	13,066	18,860	16,465
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,794	13,066	18,860	(606,943)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	325,524	131,116	456,640	(282,557)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	657,095	588,427	1,245,522	893,225
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 982,619	\$ 719,543	\$ 1,702,162	\$ 610,668
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 348,328	\$ (571,220)	\$ (222,892)	\$ 345,868
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	530,819	1,561,497	2,092,316	-
(Increase) decrease in assets:				
Accounts receivable	46,676	(2,868)	43,808	1,128
Due from other funds	(7,411)	4,771	(2,640)	-
Inventory	(19,568)	-	(19,568)	-
Prepaid expenses	(684)	-	(684)	(1,952)
Increase (decrease) in liabilities:				
Accounts payable	16,365	(27,995)	(11,630)	(20,658)
Deposits payable	1,000	-	1,000	-
Compensated absences	(367)	(376)	(743)	-
Advance from other funds	-	640,000	640,000	-
Due to other funds	(24,523)	(719,609)	(744,132)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 890,635	\$ 884,200	\$ 1,774,835	\$ 324,386

The accompanying notes are an integral part of these financial statements.

**SAGINAW CHARTER TOWNSHIP
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
MARCH 31, 2005**

ASSETS	
Cash and cash equivalents	\$ 62,245
Investments	354
Accounts receivable	154
Delinquent personal property taxes	1,289,113
Due from others	<u>6,377</u>
TOTAL ASSETS	<u><u>\$ 1,358,243</u></u>
LIABILITIES	
Due to others	\$ 218,114
Due to other governmental units	<u>1,140,129</u>
TOTAL LIABILITIES	<u><u>\$ 1,358,243</u></u>

The accompanying notes are an integral part of these financial statements.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of *Saginaw Charter Township* (the “Township”), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

A. FINANCIAL REPORTING ENTITY

Saginaw Charter Township (the “Township”) is a municipal corporation governed by an elected Board. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township and its component unit. The component unit discussed below is included in the Township’s reporting entity because of the significance of its financial relationship with the Township.

Economic Development Corporation (EDC) – The EDC is included as a part of the Township’s financial statements because the Township is financially accountable for the EDC and the Township Board has the ability to significantly influence the operation of the EDC. The financial statements of this component unit of the Township, which are reported for the fiscal year ending December 31, 2004, are presented as a discretely presented component unit of the Township. A complete financial statement can be obtained from Saginaw Charter Township Offices, Saginaw, Michigan 48603.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement – based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *fire protection fund* accounts for the separate voted millage and related operation of the fire department.

The *police fund* accounts for the separate voted millage and the related operation of the police department.

The *garbage and rubbish collection fund* accounts for a separate special assessment and the related operation of garbage and rubbish collection.

The government reports the following major proprietary funds:

The *water fund* accounts for the activities of the government's water distribution system.

The *sewer fund* accounts for the activities of the government's sewage disposal and treatment system.

Additionally, the Township reports the following fund types:

Internal service funds account for health benefits and risk management services provided to other departments or agencies of the government on a cost reimbursement basis.

Agency funds are used to account for assets held for other governments in an agency capacity, including tax collections.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. DEPOSITS AND INVESTMENTS

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

2. RECEIVABLES AND PAYABLES

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

3. INVENTORIES AND PREPAIDS

Inventory maintained by the General Fund and Water Enterprise Fund is valued at cost using the first-in, first-out method. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventory is not considered material. The cost value of such inventory was recorded as an expenditure at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure such as sidewalks, and water and sewer systems, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

<u>Assets</u>	<u>Years</u>
Land improvements	20-30
Buildings	20-50
System infrastructure	5-40
Equipment	5-20
Vehicles	5-20

5. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTIBILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Comparisons to budget are presented for general and special revenue fund types as required by generally accepted accounting principles. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments.
2. The budget is legally enacted through passage of a resolution on or before March 31.
3. Budgets for the general and special revenue funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the General Fund is adopted by activity. In the special revenue funds, budgets are adopted by function with revenue adopted as itemized in the report and with expenditures adopted by budgetary center and reported using the administrative detail for informational purposes.
4. Adoption and amendments of all budgets used by the Township are governed by Michigan Public Act 621, which was complied with during the year ended March 31, 2005. Any amendment of the original budget must meet the requirements of Public Act 621. The Township did amend its budget for the year ended March 31, 2005.
5. The Township Board must approve amendments to the budget for changes in activities which exceed \$1,500 in the General Fund. Management can amend appropriations in the budget between activities for amounts less than \$1,500 without the approval of the Board. Changes in total expenditures in the Special Revenue Funds must be approved by the Township Board.
6. The legal level of control is at the activity level in the General Fund and at the total expenditure level in the Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Encumbered appropriations lapse at year-end and amounts are reappropriated for expenditures to be incurred in the next fiscal year.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS

The Township had a special revenue fund with expenditures exceeding budgeted appropriations at the total expenditures level, which is the Township's legal level of budgetary control for the special revenue funds, for the year ended March 31, 2005.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
ART IN PUBLIC PLACES			
Culture and recreation	\$ 5,440	\$ 5,514	\$ (74)

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

A reconciliation of cash, pooled investments and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

	<u>Carrying Amount</u>
Government-wide Financial Statement Captions:	
Primary Government	
Cash and cash equivalents	\$ 12,057,366
Investments	2,273,110
Component Unit	
Cash and cash equivalents	2,775
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	62,245
Investments	<u>354</u>
Total	<u>\$ 14,395,850</u>
Notes to the Financial Statements:	
Deposits	\$ 9,576,735
Investments	4,817,865
Cash on hand	<u>1,250</u>
Total	<u>\$ 14,395,850</u>

Deposits

At year end the carrying amount of the Township's deposits was \$9,576,735 and the bank balance was \$4,515,424. Of the bank balance, \$600,000 was covered by federal depository insurance and \$3,915,424 was neither insured nor collateralized.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Investments

The term of investments and financial institutions used for investment purposes are determined based on Township needs. The Township Treasurer periodically assesses the financial strength and services provided by financial institutions to help ensure that integrity of principal and Township investment needs are met.

For the purposes of providing an indication of the assumed levels of risk, investments are categorized as follows:

Category 1 Investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name.

Category 2 Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Township's name.

Category 3 Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Township's name.

<u>Category</u>			<u>Carrying</u>	<u>Fair</u>
<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Uncategorized				
Money Market Mutual Funds			<u>\$ 4,817,865</u>	<u>\$ 4,817,865</u>

Deposits and investments are in financial institutions located in the Township of Saginaw in varying amounts. The Township investment policy follows state statutes permitting investment in obligations of the United States Treasury, GNMA's, domestic certificates of deposit, commercial paper with prescribed ratings (limited to 50% of each fund), in government or Federal agency obligation repurchase agreements, bankers acceptances of United States banks, investment grade obligations of Michigan or its political subdivisions, investment pools, and mutual funds composed of investments which are legal for direct investment by local units of government in Michigan.

Township policy limits the Treasurer's investing options to financial institutions located in Saginaw Charter Township except when bonding ordinances specify a specific financial institution. Commercial paper is all rated in the highest classification A-1/P-1. All accounts are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when available to the applicable account.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

A portion of the Township's deposits are pooled for investment purposes, but investments are specifically identified by fund. Cash and certificates of deposit are pooled, with certificates of deposits allocated according to cash balances. In addition, cash and investments are separately held by several of the Township's funds.

The Township's deposits are in accordance with statutory authority.

B. RECEIVABLES

Receivables in the primary government are as follows:

	Governmental Activities	Business-type Activities
Taxes	\$ 454,163	\$ 1,359,385
Accounts	207,319	-
Special Assessments		
Due within one year	287,925	-
Due after one year	162,052	-
Intergovernmental		
Due within one year	548,356	-
Total	<u>\$ 1,659,815</u>	<u>\$ 1,359,385</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Special assessments receivable (General fund)	\$ 195,442	\$ -
Special assessments receivable (Nonmajor Governmental fund types)	154,403	-
Grant drawdowns prior to meeting all eligibility requirements	-	33,449
Total	<u>\$ 349,845</u>	<u>\$ 33,449</u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

C. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated – Land	\$ 667,710	\$ -	\$ -	\$ 667,710
Capital assets being depreciated:				
Land improvements	5,261,595	13,024	-	5,274,619
Buildings and improvements	8,394,504	156,023	-	8,550,527
Equipment	814,656	12,630	(64,811)	762,475
Vehicles	<u>3,729,047</u>	<u>102,945</u>	<u>(131,444)</u>	<u>3,700,548</u>
Total capital assets being depreciated	<u>18,199,802</u>	<u>284,622</u>	<u>(196,255)</u>	<u>18,288,169</u>
Less accumulated depreciation				
Land improvements	(2,969,356)	(185,099)	-	(3,154,455)
Buildings and improvements	(1,901,189)	(226,597)	-	(2,127,786)
Equipment	(521,007)	(43,026)	53,932	(510,101)
Vehicles	<u>(2,084,716)</u>	<u>(303,238)</u>	<u>128,560</u>	<u>(2,259,394)</u>
Total accumulated depreciation	<u>(7,476,268)</u>	<u>(757,960)</u>	<u>182,492</u>	<u>(8,051,736)</u>
Total capital assets being depreciated, net	<u>10,723,534</u>	<u>(473,338)</u>	<u>(13,763)</u>	<u>10,236,433</u>
Governmental activities capital assets, net	<u>\$11,391,244</u>	<u>\$(473,338)</u>	<u>\$ (13,763)</u>	<u>\$10,904,143</u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 261,573	\$ -	\$ -	\$ 261,573
Construction in progress	<u>17,575</u>	<u>422,363</u>	<u>(12,285)</u>	<u>427,653</u>
Total capital assets not being depreciated	<u>279,148</u>	<u>422,363</u>	<u>(12,285)</u>	<u>689,226</u>
Capital assets being depreciated:				
Building, plants, mains	70,084,972	1,445,479	-	71,530,451
Equipment	1,126,398	138,515	(11,188)	1,253,725
Vehicles	<u>654,265</u>	<u>46,268</u>	<u>(30,173)</u>	<u>670,360</u>
Total capital assets being depreciated	<u>71,865,635</u>	<u>1,630,262</u>	<u>(41,361)</u>	<u>73,454,536</u>
Less accumulated depreciation				
Building, plants, mains	(26,813,709)	(1,989,403)	-	(28,803,112)
Equipment	(833,767)	(69,651)	11,188	(892,230)
Vehicles	<u>(535,926)</u>	<u>(33,262)</u>	<u>30,173</u>	<u>(539,015)</u>
Total accumulated depreciation	<u>(28,183,402)</u>	<u>(2,092,316)</u>	<u>41,361</u>	<u>(30,234,357)</u>
Total capital assets being depreciated, net	<u>43,682,233</u>	<u>(462,054)</u>	<u>-</u>	<u>43,220,179</u>
Business-type activities capital assets, net	<u>\$43,961,381</u>	<u>\$ (39,691)</u>	<u>\$ (12,285)</u>	<u>\$ 43,909,405</u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 91,214
Public safety	399,803
Public works	10,205
Highways and streets	47,626
Culture and recreation	<u>209,112</u>
Total depreciation expense – governmental activities	<u>\$ 757,960</u>

Business-type activities:

Water	\$ 530,819
Sewer	<u>1,561,497</u>
Total depreciation expense – business-type activities	<u>\$ 2,092,316</u>

Construction commitments

The Township has three active construction projects as of March 31, 2005. The Shattuck Road, Tittabawassee Road and the Gratiot Road watermain projects.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Shattuck Road	\$ 340,836	\$ 17,041
Tittabawassee Road	35,416	2,301
Gratiot Road	<u>51,401</u>	<u>518,538</u>
Total	<u>\$ 427,653</u>	<u>\$ 537,880</u>

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<u>Due To</u>	<u>Due From</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
General Fund	\$ 72,092	\$ 97,072	\$ 169,164
Water fund	-	7,411	7,411
Sewer fund	<u>611,486</u>	<u>-</u>	<u>611,486</u>
Total	<u>\$ 683,578</u>	<u>\$ 104,483</u>	<u>\$ 788,061</u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

The balance of \$97,072 and \$72,092 due to the general fund from the sewer and water funds is for short-term advances between the funds related to the billings of water and sewer services.

The balance of \$611,486 due to the sewer fund from the water fund is related to the billings of sewer services collected by the water fund.

Advances to/from other funds

General	\$ 640,000	\$ -
Sewer	-	640,000
Total	<u>\$ 640,000</u>	<u>\$ 640,000</u>

The advance between the general fund and sewer fund is for construction of the waste water treatment plant expansion.

Transfers from:	Transfers To			
	General Fund	Police Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$1,196,434	\$ 300,500	\$ 1,496,934
Fire Fund	58,077	-	-	58,077
Police Fund	300,736	-	1,363	302,099
Nonmajor Governmental Funds	52,715	-	77,914	130,629
Water Fund	68,790	-	-	68,790
Sewer	95,942	-	-	95,942
Total	<u>\$ 576,260</u>	<u>\$ 1,196,434</u>	<u>\$ 379,777</u>	<u>\$ 2,152,471</u>

The interfund transfer from the General Fund to the Police Fund and Nonmajor governmental funds is to subsidize those operations. The transfers to the General Fund from other funds is for administrative charges.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

E. LONG-TERM DEBT

Long-term activity for the year ended March 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Primary Government					
Governmental activities:					
Postclosure liability	\$ 100,000	\$ -	\$ (60,000)	\$ 40,000	\$ 4,000
Compensated absences	<u>503,554</u>	<u>399,447</u>	<u>(389,744)</u>	<u>513,257</u>	<u>389,744</u>
Governmental activity					
Long-term liabilities	<u>\$ 603,554</u>	<u>\$399,447</u>	<u>\$ (449,744)</u>	<u>\$ 553,257</u>	<u>\$ 393,744</u>
Business-type activities					
Contracts payable	<u>\$ 5,220,072</u>	<u>\$ -</u>	<u>\$ (442,781)</u>	<u>\$ 4,777,291</u>	<u>\$ 462,433</u>

Sewer revenue contracts are supported by revenues of the Waste Water Fund. The Township has no general obligation debt that can be levied on the annual property tax bills.

Debt payable at March 31, 2005, is comprised of the following individual issues:

REVENUE CONTRACTS (BONDS SOLD BY SAGINAW COUNTY):

\$1,441,683, 1997 NWUA Improvement and Refunding Bonds.

The Township participated, as a member of the Northwest Utilities Authority in a pump station improvement program. To finance this project and to defease the eligible bonds on the 1990 NWUA debt, \$3,690,000 in bonds were issued by Saginaw County. The Township has a contract with Saginaw County D.P.W. for the cost of the construction attributable to its 3 year average flow. Debt service share varies annually based upon this flow. For the year ended March 31, 2005 the Township's share of the flow was 48.255 %. The contract principal portion owed by the Township of Saginaw has been recorded as a liability of the Sewer Fund. The assets related to this debt are recorded as assets of the Sewer Fund. Original prorata share of annual installments varies from \$60,559 to \$113,303 through May 1, 2016 with interest from 4.5% to 5.5%.

\$1,433,174

\$5,870,975, 1991 Weiss Drain CSO Improvement Bonds due in

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

annual installments of \$235,128 to \$351,970 through October 1, 2012 with interest at 2.00% 2,632,562

\$1,086,584, 1996 Weiss InLine Detention Bonds due in annual installments of \$49,045 to \$69,240 through October 1, 2016 with interest at 2.25% 711,555

\$4,777,291

Business-type debt service requirements to maturity, including interest of \$725,223 are as follows:

<u>Year ending March 31,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 462,433	\$ 128,836
2007	472,058	115,844
2008	484,097	102,983
2009	493,722	90,320
2010	505,759	77,401
2011-15	1,987,592	195,680
2016-17	<u>371,630</u>	<u>14,159</u>
	<u>\$4,777,291</u>	<u>\$ 725,223</u>

Governmental Activity:

Landfill Postclosure Liability: The Township owns a landfill that was closed during fiscal year 1982-83. Due to a breakdown in the collection system installed at closure, a remediation project is underway that is projected to cost \$489,585 for operations through the year 2015. The majority of these costs were incurred in prior years. Operating costs are based on adjusted historical costs of a similar facility. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

For the governmental activities, the postclosure liability and the compensated absences are generally liquidated by the General Fund.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

IV. OTHER INFORMATION

A. DEFINED CONTRIBUTION PENSION PLAN

The Saginaw Charter Township Municipal Government Employees Pension Plan is held in trust and covers 87 full-time employees, over the age of 18, employed with the Township for more than four months prior to April 1st. The third party administrator for this plan is John Hancock. Members of the Police Union may choose this plan or the MERS defined benefit pension, at the time of their initial enrollment. In addition, the Township manager is enrolled in the Manager Only Money Purchase Plan administered by the ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Defined contribution pension cost to the Township for the fiscal year ending March 31, 2005 was \$554,985, which represented 14.65% of current year covered payroll. Defined contribution pension cost to the employees was \$168,749. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are set for union employees by contract and for non-union employees by resolution of the Township Board under the Township's Pension Ordinance. Employees may make voluntary contributions not to exceed 25% total contribution. The Township's policy is to fund pension costs representing 15 percent of the annual salaries of covered employees, as follows:

	<u>NON-UNION</u>	<u>POLICE UNION</u>	<u>UNION LOCAL 486</u>
Township Contribution Rate	15%	15%	15%
Required Employee Contribution Rate	2%	2%	2%
	<u>17%</u>	<u>17%</u>	<u>17%</u>

The Township's contributions for each employee are fully vested after 5 years for non-union/Police Union employees and 10 years for Union Local 486 employees. Unvested benefits forfeited by employees who leave employment early are used to reduce Township contributions. Assets of the plan are valued at \$11,035,567.

B. DEFINED BENEFIT PLAN

Plan Description. For Police Union employees choosing the Township's defined benefit pension plan, the plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Township participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan operating under Public Act 220 of 1996 and the MERS Plan Document, and administered by the MERS Retirement Board. Changes in benefit coverage

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

are available after approved by a majority vote of the municipalities governing body. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS.

That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy . The Township is required to contribute at an actuarially determined rate; the current rate is 15% of annual covered payroll. Employees are currently required to contribute 1.96% to the Plan. The contribution requirements of the Township are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Township depending on the MERS contribution program adopted by the Township.

Annual Pension Cost. For the year ended March 31, 2005, the Township's annual pension cost of \$257,204 for MERS was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% annually after retirement. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The Township's unfunded actuarial accrued liability, if any, is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2003, the date of the latest actuarial valuation, was 31 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
3/31/03	\$193,144	100%	\$0
3/31/04	222,114	100%	0
3/31/05	257,204	100%	0

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/01	\$7,422,609	\$8,697,083	\$1,274,474	85%	\$1,485,891	86%
12/31/02	7,556,255	9,134,480	1,578,225	83%	1,502,496	105%
12/31/03	7,942,616	10,053,302	2,110,686	79%	1,448,048	146%

C. POSTEMPLOYMENT BENEFITS

The Township provides postemployment health care benefits in accordance with a Township resolution, to all non-union employees who retire on or after age 65 with at least 20 years of service, all police union employees with 25 years of service and Local 486 employees with 30 years of service. Benefits are advance funded, but not on an actuarial basis. Currently three retirees meet the eligibility requirements. The Township reimburses the Medicare supplement premiums for these retirees and their qualified spouses up to \$1,099 per person. Expenditures for the reimbursement are recognized as they are paid in the Health Benefit Internal Service Fund. In addition, police union early retirees with 25 years of service are eligible for 100% Blue Care Network health insurance from age 52 to 65. Currently nine retirees meet the early retirement eligibility requirements. During the year, expenditures of \$86,718 were recognized for retiree health benefits. The Health Benefit Fund has net assets of \$1,230,402.

D. SELF INSURANCE

Governmental Accounting Standards Board Statement No. 10 on Risk Financing requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of the Township's self-insurance is as follows:

Health Benefit: The Township initiated a self insurance health benefit package August 10, 1981. As of March 31, 2005, the maximum aggregate health liability to the Township was \$1,053,261. Amounts above this are covered by an insurance policy. In addition, insurance was purchased for individual health claims which has a \$55,000 per person deductible. Life insurance premiums, short term disability benefits of 70% of compensation, police early retiree health insurance and medigap premium reimbursement are also paid by this fund. Assets of this plan of \$1,257,929 are recorded in the Internal Service Funds. Liabilities of

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

\$27,527 represent unpaid medical invoices on March 31, 2005. There is no incurred but not reported (IBNR) amount included in liabilities.

The changes in the claims liability for the years ended March 31, 2004 and 2005 are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in Estimates	Claim Payments	End of Year <u>Liability</u>
2004	\$83,986	\$714,032	\$838,433	\$40,415
2005	40,415	768,265	836,207	27,527

E. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

Property and Liability: Saginaw Charter Township entered into a Joint Exercise of Powers Agreement with the Michigan Municipal Risk Management Authority (MMRMA) on July 19, 1985. A deficit of \$61,804 representing Saginaw Charter Township's equity in the Authority is recorded in the Internal Service Funds. This deficit is the result of conservative loss estimates and will be eliminated in the upcoming year by assessing the costs to the various funds of the Township. Liabilities include \$61,804 in estimated claims that were incurred but not reported (IBNR) on March 31, 2005.

The changes in the claims liability for the years ended March 31, 2004, and 2005 are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in Estimates	Claim Payments	End of Year <u>Liability</u>
2004	\$92,166	\$140,555	\$163,147	\$69,574
2005	69,574	76,763	84,533	61,804

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Currently, the Township self insures the first \$75,000 for each liability claim. After the first \$75,000 and up to \$15,000,000, the Michigan Municipal Risk Management Authority (MMRMA) is responsible for the claims. Each property claim is self insured by the Township for 10% of the first \$100,000 after a \$1,000 deductible. A stop loss coverage through the MMRMA protects the Township from aggregate liability claims exceeding \$191,000. The revenues for this fund's operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund.

There were no significant reductions in insurance coverage from the prior year and there were no insurance settlements exceeding insurance coverage in any of the past three years for either the health benefit or property and liability insurance.

F. PROPERTY TAXES

School taxes are levied on July 1 and are due without penalty on or before September 14. Township property taxes are attached as an enforceable lien on property as of December 1 and recorded in the Township ledgers as receivables as of that date. Township taxes are levied December 1 and are due without penalty on or before February 14. The December tax bills include the Township's own property taxes, special assessments and taxes billed on behalf of Saginaw County.

Real property and special assessment taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for those delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Property taxes levied in December of each year and collected within sixty days after the fiscal year end are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Saginaw County, Saginaw Intermediate Schools, Delta College and Saginaw Charter Township Community Schools for property taxes.

Taxes collected on behalf of the school districts and Saginaw County are turned over to the districts and the County following collection and are accounted for in designated agency funds.

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

Township property taxes are attached as an enforceable lien on property as of December 1. Taxes are levied December 1 and are due without penalty on or before February 14. These tax bills include the Township's own property taxes and taxes billed on behalf of the school districts within the Township boundaries and Saginaw County.

Real property taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for the delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

G. DEFICIT EQUITY

The MMRMA Internal Service Fund has a deficit equity of \$61,804. The deficit in this insurance fund arose due to conservative estimates in the reserve for liability claims. It is expected these claims will settle for less than the reserves. Any shortfall due to the settlements will be covered by the regular or special charges to the contributing funds.

H. COMMITMENTS AND CONTINGENCIES

In the normal course of its activities, the Township is a party to various legal actions. After taking into consideration legal counsel's evaluation of pending actions, the Township is of the opinion that the potential claims not covered by insurance will not have a material effect on the financial statements.

In addition, the Township has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

I. PRIOR PERIOD ADJUSTMENTS

During the year ended March 31, 2005, a prior period adjustment in the amount of \$20,990 was necessary to properly account for the overstatement of deferred revenue in the Police Block Grant Fund, during the year ended March 31, 2004. The effect on the Police Block Grant fund balance was as follows:

Fund balance, beginning of year, as previously stated	\$ 20,990
Prior period adjustment	<u>(20,990)</u>
Fund balance, beginning of year, as restated	<u><u>\$ -</u></u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

During the year ended March 31, 2005, a prior period adjustment in the amount of \$12,363 was necessary to properly account for the overstatement of accounts payable in the General Fund, during the year ended March 31, 2004. The effect on the General fund balance was as follows:

Fund balance, beginning of year, as previously stated	\$ 4,119,371
Prior period adjustment	<u>12,363</u>
Fund balance, beginning of year, as restated	<u>\$ 4,131,734</u>

During the year ended March 31, 2005, a prior period adjustment in the amount of \$10,148 was necessary to properly account for the understatement of inventory in the Water Fund, during the year ended March 31, 2004. The effect on the Water Fund net asset balance was as follows:

Net assets, beginning of year, as previously stated	\$ 18,873,908
Prior period adjustment	<u>10,148</u>
Net assets, beginning of year, as restated	<u>\$ 18,884,056</u>

During the year ended March 31, 2005, a prior period adjustment in the amount of \$62,000 was necessary to properly account for the overstatement of accounts payable in the Sewer Fund, during the year ended March 31, 2004. The effect on the Sewer Fund net asset balance was as follows:

Net assets, beginning of year, as previously stated	\$ 21,634,180
Prior period adjustment	<u>62,000</u>
Net assets, beginning of year, as restated	<u>\$ 21,696,180</u>

SAGINAW CHARTER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

During the year ended March 31, 2005, prior period adjustments in the amount of \$98,487 and \$35,784 were necessary to properly account for the overstatement of deferred revenue and understatement of liabilities in the governmental activities, during the year ended March 31, 2004. The effect on the statement of net asset balance was as follows:

Net assets, beginning of year, as previously stated	\$ 24,433,155
Prior period adjustment	
Deferred revenue	98,487
Liabilities	<u>(35,784)</u>
Net assets, beginning of year, as restated	<u>\$ 24,495,858</u>

* * * * *

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET TO ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
TAXES				
Operating	\$ 1,096,275	\$ 1,096,275	\$ 1,108,848	\$ 12,573
Administration fee	408,600	408,600	398,885	(9,715)
Interest and penalties on delinquent taxes	5,000	5,000	13,120	8,120
TOTAL TAXES	1,509,875	1,509,875	1,520,853	10,978
LICENSES AND PERMITS				
Ordinance 229 fees-Business	20,400	20,400	21,230	830
Mobile Home fees	4,000	4,000	4,144	144
Peddler's permits	150	150	-	(150)
Miscellaneous	1,000	1,000	495	(505)
Franchise fees	457,177	457,177	425,005	(32,172)
TOTAL LICENSES AND PERMITS	482,727	482,727	450,874	(31,853)
INTERGOVERNMENTAL - STATE				
Sales tax - constitutional	2,689,350	2,689,350	2,698,053	8,703
Sales tax - Statutory	422,650	422,650	372,052	(50,598)
TOTAL INTERGOVERNMENTAL - STATE	3,112,000	3,112,000	3,070,105	(41,895)
CHARGES FOR SERVICES				
Recreation fees	182,400	182,400	217,649	35,249
Sales	2,000	2,000	3,012	1,012
Administration fees	4,000	4,000	23,910	19,910
Zoning fees	5,000	5,000	11,465	6,465
Site review fees	8,000	8,000	10,344	2,344
Weed cutting	4,000	4,000	2,541	(1,459)
Other	600	600	3,780	3,180
TOTAL CHARGES FOR SERVICES	206,000	206,000	272,701	66,701
FINES AND FORFEITS				
Parking	39,000	39,000	39,307	307
Circuit Court	84,000	84,000	96,718	12,718
Ordinance	100	100	2,015	1,915
TOTAL FINES AND FORFEITS	123,100	123,100	138,040	14,940
SPECIAL ASSESSMENTS				
Street Lighting	320,000	320,000	301,849	(18,151)
Other	41,267	41,267	58,552	17,285
TOTAL SPECIAL ASSESSMENTS	361,267	361,267	360,401	(866)

(Continued)

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
Interest	\$ 94,495	\$ 94,495	\$ 83,913	\$ (10,582)
OTHER				
Vehicles and equipment	2,000	2,000	16,050	14,050
Rent	60,000	60,000	72,087	12,087
Donations-private sources	4,000	4,000	6,884	2,884
Other Miscellaneous	466,127	466,127	95,004	(371,123)
TOTAL OTHER	532,127	532,127	190,025	(342,102)
TOTAL REVENUES	\$ 6,421,591	\$ 6,421,591	\$ 6,086,912	\$ (334,679)

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
GENERAL GOVERNMENT				
Township Board				
Fees and per diem	\$ 9,420	\$ 9,420	\$ 9,419	\$ (1)
Supplies	12,150	12,150	12,004	(146)
Dues and conferences	14,500	14,500	10,774	(3,726)
Total Township Board	36,070	36,070	32,197	(3,873)
Township Supervisor				
Salaries and wages	41,988	43,027	42,847	(180)
Miscellaneous	3,100	4,600	4,537	(63)
Total Township Supervisor	45,088	47,627	47,384	(243)
Township Manager				
Salaries and wages	146,410	152,785	141,327	(11,458)
Supplies	2,516	2,516	1,463	(1,053)
Contractual service	3,300	3,300	-	(3,300)
Repairs and maintenance	300	300	298	(2)
Education and training	1,875	1,875	2,161	286
Miscellaneous	650	650	547	(103)
Total Township Manager	155,051	161,426	145,796	(15,630)
Fiscal Services				
Salaries and wages	167,600	138,028	113,159	(24,869)
Supplies	1,978	1,978	3,501	1,523
Education and training	700	700	815	115
Miscellaneous	50	50	25	(25)
Total Fiscal Services	170,328	140,756	117,500	(23,256)
Elections/Clerk				
Elections				
Salaries and wages	89,108	90,281	87,618	(2,663)
Supplies	20,100	20,100	9,235	(10,865)
Computer services and maintenance	7,730	7,730	3,893	(3,837)
Education and training	75	75	1,464	1,389
Miscellaneous	800	800	127	(673)
Clerk				
Salaries	55,969	57,584	53,469	(4,115)
Supplies	4,200	4,200	2,775	(1,425)
Codification and indexing	3,000	3,000	8,245	5,245
Education and training	3,000	3,000	2,483	(517)
Miscellaneous	1,500	1,500	800	(700)
Equipment Repairs	3,550	3,550	1,653	(1,897)
Office equipment	-	-	2,153	2,153
Total Elections/Clerk	189,032	191,820	173,915	(17,905)

(Continued)

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
Data Processing				
Consultant services	\$ 19,268	\$ 19,268	\$ 13,168	\$ (6,100)
Repairs and maintenance	10,300	10,300	8,785	(1,515)
Supplies	3,800	3,800	3,759	(41)
Web hosting	4,000	4,000	3,050	(950)
Internet services	6,300	6,300	6,458	158
Equipment	8,000	8,000	9,235	1,235
Total Data Processing	51,668	51,668	44,455	(7,213)
Assessors				
Salaries and wages	250,179	259,327	259,369	42
Supplies	15,660	15,660	11,980	(3,680)
Contractual services	6,000	6,000	9,119	3,119
Miscellaneous	500	500	60	(440)
Repairs and maintenance	1,000	1,000	78	(922)
Education and training	5,606	5,606	2,712	(2,894)
Capital outlay - equipment	2,750	2,750	2,829	79
Total Assessors	281,695	290,843	286,147	(4,696)
Township Attorney	77,000	82,000	80,009	(1,991)
Board of Review				
Fees and per diem	1,920	1,920	1,200	(720)
Miscellaneous	100	100	289	189
Total Board of Review	2,020	2,020	1,489	(531)
Treasurer's Office				
Salaries	99,429	102,906	101,500	(1,406)
Supplies	650	650	1,034	384
Repairs and maintenance	750	750	75	(675)
Education and training	2,700	2,700	1,336	(1,364)
Miscellaneous	2,940	2,940	2,419	(521)
Equipment	2,000	2,000	1,830	(170)
Total Treasurer's Office	108,469	111,946	108,194	(3,752)

(Continued)

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
Township Property				
Salaries	\$ 18,500	\$ 18,500	\$ 18,842	\$ 342
Postage	34,750	34,750	34,628	(122)
Operating supplies	11,100	11,100	12,867	1,767
Telephone	30,000	30,000	20,920	(9,080)
Insurance	67,000	67,000	70,386	3,386
Public utilities	22,000	22,000	18,173	(3,827)
Repairs and maintenance	37,000	37,000	34,027	(2,973)
Miscellaneous	500	500	869	369
Total Township Property	<u>220,850</u>	<u>220,850</u>	<u>210,712</u>	<u>(10,138)</u>
Motor Vehicle - Equipment Pool				
Supplies	30,000	30,000	12,133	(17,867)
Gas and oil	10,000	10,000	5,655	(4,345)
Repairs and maintenance	11,300	11,300	9,044	(2,256)
Insurance	30,000	30,000	27,532	(2,468)
Rent	150	150	2,967	2,817
Miscellaneous	1,100	1,100	660	(440)
Equipment	<u>35,400</u>	<u>35,400</u>	<u>12,573</u>	<u>(22,827)</u>
Total Motor Vehicle - Equipment Pool	<u>117,950</u>	<u>117,950</u>	<u>70,564</u>	<u>(47,386)</u>
TOTAL GENERAL GOVERNMENT	<u>1,455,221</u>	<u>1,454,976</u>	<u>1,318,362</u>	<u>(136,614)</u>
PUBLIC SAFETY				
Parking Enforcement				
Salaries	25,025	25,025	17,479	(7,546)
Supplies	2,500	2,500	411	(2,089)
Miscellaneous	4,500	4,500	4,950	450
Equipment	<u>800</u>	<u>16,084</u>	<u>15,284</u>	<u>(800)</u>
Total Parking Enforcement	<u>32,825</u>	<u>48,109</u>	<u>38,124</u>	<u>(9,985)</u>
Housing Inspection				
Salaries	15,150	15,150	12,749	(2,401)
Supplies	200	200	259	59
Services-maintenance	16,000	16,000	7,110	(8,890)
Education and training	500	500	50	(450)
Miscellaneous	200	200	100	(100)
Equipment	<u>200</u>	<u>200</u>	<u>371</u>	<u>171</u>
Total Housing Inspection	<u>32,250</u>	<u>32,250</u>	<u>20,639</u>	<u>(11,611)</u>

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
Planning				
Planning Department:				
Salaries and wages	\$ 7,680	\$ 7,680	\$ 3,995	\$ (3,685)
Operating supplies	-	-	3	3
Contractual services	26,000	36,000	30,903	(5,097)
Development plan	15,000	10,500	11,200	700
Education and training	4,520	4,520	1,200	(3,320)
Miscellaneous	3,500	3,500	4,591	1,091
Zoning Board of Appeals:				
Wages	3,840	3,840	630	(3,210)
Education and training	625	625	60	(565)
Total Planning	61,165	66,665	52,582	(14,083)
TOTAL PUBLIC SAFETY	126,240	147,024	111,345	(35,679)
HIGHWAY AND STREETS				
Dept. of Public Services				
Salaries	406,142	437,012	426,419	(10,593)
Operating supplies	8,300	8,300	11,945	3,645
Contractual services	7,800	7,800	7,024	(776)
Education and training	2,000	2,000	2,150	150
Miscellaneous	750	750	605	(145)
Total of Dept. of Public Services	424,992	455,862	448,143	(7,719)
Sidewalks				
Repairs	5,000	5,000	1,655	(3,345)
Miscellaneous	500	500	-	(500)
Total Sidewalks	5,500	5,500	1,655	(3,845)
Road Construction and Resurfacing				
County Road Commission	163,700	163,700	108,921	(54,779)
Street Lighting	335,000	335,000	325,547	(9,453)
TOTAL HIGHWAY AND STREETS	929,192	960,062	884,266	(75,796)
PUBLIC WORKS				
Drains - Public Benefit				
Storm Water Authority	31,080	31,080	27,375	(3,705)
Drains-at-large	34,500	34,500	31,910	(2,590)
Total Drains - Public Benefit	65,580	65,580	59,285	(6,295)
Landfill	74,150	74,150	56,673	(17,477)
TOTAL PUBLIC WORKS	139,730	139,730	115,958	(23,772)

**SAGINAW CHARTER TOWNSHIP
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
CULTURE AND RECREATION				
Parks and Recreation				
Salaries	\$ 331,731	\$ 337,109	\$ 365,143	\$ 28,034
Officials	82,000	82,000	86,070	4,070
Operating supplies	50,950	50,950	64,028	13,078
Contractual services	9,000	9,000	8,827	(173)
Public utilities	34,700	34,700	39,377	4,677
Repairs and maintenance - equipment	80,400	80,400	93,337	12,937
Miscellaneous	20,100	20,100	16,246	(3,854)
Education and training	1,100	1,100	777	(323)
Center Courts				
Salaries	114,000	114,963	88,815	(26,148)
Operating supplies	12,000	12,000	8,368	(3,632)
Contractual services	7,500	7,500	12,870	5,370
Public utilities	47,800	47,800	52,745	4,945
Repairs and maintenance	12,000	12,000	22,731	10,731
Miscellaneous	192,271	192,271	5,744	(186,527)
Total Parks and Recreation	995,552	1,001,893	865,078	(136,815)
Library				
Salaries - maintenance	22,000	22,000	22,020	20
Supplies - operating	2,800	2,800	2,903	103
Services - Public Libraries of Saginaw	623,400	623,400	623,400	-
Public utilities	28,000	28,000	21,639	(6,361)
Repairs and maintenance	15,000	15,000	14,156	(844)
Total Library	691,200	691,200	684,118	(7,082)
TOTAL CULTURE AND RECREATION	1,686,752	1,693,093	1,549,196	(143,897)
OTHER				
Employee Benefits:				
Social security - Township share	115,000	115,000	115,647	647
Health insurance - cash benefit	9,000	9,000	7,375	(1,625)
Hospitalization insurance	476,175	476,175	426,085	(50,090)
Life insurance	5,760	5,760	5,760	-
Disability insurance	19,155	19,155	18,391	(764)
Retirement contribution	232,050	232,050	213,000	(19,050)
Unemployment compensation	4,000	4,000	14,464	10,464
Workmen's compensation insurance	23,400	23,400	31,593	8,193
Less workmen's comp. dividend	(5,000)	(5,000)	(5,578)	(578)
Total Employee Benefits	879,540	879,540	826,737	(52,803)
Transit Service	26,000	16,000	8,688	(7,312)
Other functions	117,900	55,500	46,993	(8,507)
TOTAL OTHER	1,023,440	951,040	882,418	(68,622)
TOTAL EXPENDITURES	\$ 5,360,575	\$ 5,345,925	\$ 4,861,545	\$ (484,380)

**SAGINAW CHARTER TOWNSHIP
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>			
	<u>POLICE BLOCK GRANT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>FIRE IMPROVEMENT</u>	<u>ART IN PUBLIC PLACES</u>
Cash and cash equivalents	\$ 5,480	\$ 18,281	\$ 105,580	\$ 7,834
Investments	1,014	3,381	19,528	1,449
Accounts receivable	-	805	-	-
Taxes receivable	-	-	5,310	-
Special assessments receivable	-	-	-	-
Special assessments receivable - delinquent	-	-	-	-
Special assessments receivable - other	-	-	-	-
Prepaid expenditures	-	190	-	308
<u>TOTAL ASSETS</u>	<u>\$ 6,494</u>	<u>\$ 22,657</u>	<u>\$ 130,418</u>	<u>\$ 9,591</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable	-	196	-	-
Deferred revenue	6,494	-	-	-
<u>TOTAL LIABILITIES</u>	<u>6,494</u>	<u>196</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Reserved for prepaid items	-	190	-	308
Unreserved:				
Undesignated	-	22,271	130,418	9,283
<u>TOTAL FUND BALANCES</u>	<u>-</u>	<u>22,461</u>	<u>130,418</u>	<u>9,591</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 6,494</u>	<u>\$ 22,657</u>	<u>\$ 130,418</u>	<u>\$ 9,591</u>

CAPITAL PROJECTS FUNDS

SPECIAL		PUBLIC		
ASSESSMENT		IMPROVEMENT		TOTAL
REVOLVING FUND	PARKS			
\$ 823,863	\$ 29,146	\$ 113,066	\$	1,103,250
-	5,391	20,912		51,675
-	-	-		805
-	-	-		5,310
92,483	-	-		92,483
7,649	-	-		7,649
154,403	-	-		154,403
5,174	-	-		5,672
<hr/>				
\$ 1,083,572	\$ 34,537	\$ 133,978	\$	1,421,247

-	-	-	\$	196
154,403	-	-		160,897

154,403	-	-		161,093
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5,174	-	-		5,672
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923,995	34,537	133,978		1,254,482
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929,169	34,537	133,978		1,260,154
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\$ 1,083,572	\$ 34,537	\$ 133,978	\$	1,421,247
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**SAGINAW CHARTER TOWNSHIP
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2005**

	SPECIAL REVENUE FUNDS			
	POLICE BLOCK GRANT	COMMUNITY DEVELOPMENT	FIRE IMPROVEMENT	ART IN PUBLIC PLACES
REVENUES				
Taxes	\$ -	\$ -	\$ 116,475	\$ -
Licenses and permits	-	316,421	-	-
Intergovernmental revenue:				
Federal sources	14,496	-	-	-
Charges for services	-	-	-	1,727
Interest earnings	166	1,097	1,215	98
Donations	-	-	-	4,125
Miscellaneous	-	-	-	-
TOTAL REVENUES	14,662	317,518	117,690	5,950
EXPENDITURES				
Current:				
Public safety	16,025	-	162,480	-
Public works	-	-	-	-
Community Development	-	637,549	-	-
Culture and Recreation	-	-	-	5,514
TOTAL EXPENDITURES	16,025	637,549	162,480	5,514
REVENUES OVER (UNDER) EXPENDITURES	(1,363)	(320,031)	(44,790)	436
OTHER FINANCING SOURCES (USES)				
Transfers in	1,363	300,000	-	500
Transfers (out)	-	(52,715)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,363	247,285	-	500
Net change in fund balances	-	(72,746)	(44,790)	936
Fund balances, beginning of year, as restated	-	95,207	175,208	8,655
Fund balances, end of year	\$ -	\$ 22,461	\$ 130,418	\$ 9,591

CAPITAL PROJECTS FUNDS				
SPECIAL				
ASSESSMENT			PUBLIC	
REVOLVING FUND	PARKS	IMPROVEMENT	TOTAL	
\$ -	\$ -	\$ -	\$	116,475
-	-	-	-	316,421
-	-	-	-	14,496
152,070	-	81,120	-	234,917
21,755	481	1,827	-	26,639
-	-	-	-	4,125
73	-	-	-	73
173,898	481	82,947	-	713,146
-	-	-	-	178,505
233,872	-	-	-	233,872
-	-	-	-	637,549
-	-	-	-	5,514
233,872	-	-	-	1,055,440
(59,974)	481	82,947	-	(342,294)
77,914	-	-	-	379,777
-	-	(77,914)	-	(130,629)
77,914	-	(77,914)	-	249,148
17,940	481	5,033	-	(93,146)
911,229	34,056	128,945	-	1,353,300
\$ 929,169	\$ 34,537	\$ 133,978	\$	1,260,154

**SAGINAW CHARTER TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE BLOCK GRANT
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Federal grants	\$ 12,270	\$ 15,770	\$ 14,496	(1,274)
Interest and rent	100	100	166	66
TOTAL REVENUES	12,370	15,870	14,662	(1,208)
EXPENDITURES				
Public safety	13,733	17,233	16,025	(1,208)
REVENUES (UNDER) EXPENDITURES	(1,363)	(1,363)	(1,363)	-
OTHER FINANCING SOURCES				
Transfers in	1,363	1,363	1,363	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SAGINAW CHARTER TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Licenses and permits	\$ 211,000	\$ 211,000	\$ 316,421	\$ 105,421
Interest and rent	300	300	1,097	797
TOTAL REVENUES	211,300	211,300	317,518	106,218
EXPENDITURES				
Salaries and wages	604,747	619,397	602,666	(16,731)
Contractual services	3,000	3,000	2,844	(156)
Supplies	7,700	7,700	5,566	(2,134)
Repairs and maintenance	800	800	1,289	489
Training and education	9,000	9,000	11,603	2,603
Miscellaneous	1,500	1,500	22	(1,478)
Capital outlay	14,400	14,400	13,559	(841)
TOTAL EXPENDITURES	641,147	655,797	637,549	(18,248)
REVENUES OVER (UNDER) EXPENDITURES	(429,847)	(444,497)	(320,031)	124,466
OTHER FINANCING SOURCES (USES)				
Transfers in	496,339	510,989	300,000	(210,989)
Transfers (out)	(66,492)	(66,492)	(52,715)	13,777
TOTAL OTHER FINANCING SOURCES (USES)	429,847	444,497	247,285	(197,212)
NET CHANGE IN FUND BALANCES	-	-	(72,746)	(72,746)
FUND BALANCES, BEGINNING OF YEAR	95,207	95,207	95,207	-
FUND BALANCES, END OF YEAR	<u>\$ 95,207</u>	<u>\$ 95,207</u>	<u>\$ 22,461</u>	<u>\$ (72,746)</u>

**SAGINAW CHARTER TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE IMPROVEMENT
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Current property taxes	\$ 110,000	\$ 110,000	\$ 116,475	\$ 6,475
Interest and rent	3,000	3,000	1,215	(1,785)
TOTAL REVENUES	113,000	113,000	117,690	4,690
EXPENDITURES				
Public safety	273,000	273,000	162,480	(110,520)
NET CHANGE IN FUND BALANCES	(160,000)	(160,000)	(44,790)	115,210
FUND BALANCES, BEGINNING OF YEAR	175,208	175,208	175,208	-
FUND BALANCES, END OF YEAR	<u>\$ 15,208</u>	<u>\$ 15,208</u>	<u>\$ 130,418</u>	<u>\$ 115,210</u>

**SAGINAW CHARTER TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ART IN PUBLIC PLACES
FOR THE YEAR ENDED MARCH 31, 2005**

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Charges for services	\$ 1,600	\$ 1,600	\$ 1,727	\$ 127
Interest and rent	60	60	98	38
Donations	2,780	2,780	4,125	1,345
TOTAL REVENUES	4,440	4,440	5,950	1,510
EXPENDITURES				
Culture and recreation	4,940	5,440	5,514	74
REVENUES OVER (UNDER) EXPENDITURES	(500)	(1,000)	436	1,436
OTHER FINANCING SOURCES				
Transfers in	-	500	500	-
NET CHANGE IN FUND BALANCES	(500)	(500)	936	1,436
FUND BALANCES, BEGINNING OF YEAR	8,655	8,655	8,655	-
FUND BALANCES, END OF YEAR	\$ 8,155	\$ 8,155	\$ 9,591	\$ 1,436

**SAGINAW CHARTER TOWNSHIP
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
MARCH 31, 2005**

<u>ASSETS</u>	HEALTH BENEFIT	MMRMA	TOTAL
CURRENT ASSETS			
Cash and cash equivalents	\$ 610,668	\$ -	\$ 610,668
Investments	623,408	-	623,408
Accounts receivable	9,522	-	9,522
Prepaid expenses	14,331	-	14,331
TOTAL ASSETS	1,257,929	-	1,257,929
CURRENT LIABILITIES			
Accounts payable	27,527	61,804	89,331
NET ASSETS			
Unrestricted (deficit)	\$ 1,230,402	\$ (61,804)	\$ 1,168,598

**SAGINAW CHARTER TOWNSHIP
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2005**

	HEALTH BENEFIT	MMRMA	TOTAL
OPERATING REVENUES			
Charges for services	\$ 1,102,038	\$ 495,237	\$ 1,597,275
Retiree charges	120,240	-	120,240
Other	218	-	218
TOTAL OPERATING REVENUES	1,222,496	495,237	1,717,733
OPERATING EXPENSES			
Administration and premiums	-	364,407	364,407
Property and liability claims	-	84,533	84,533
Health insurance benefit claims	922,925	-	922,925
TOTAL OPERATING EXPENSES	922,925	448,940	1,371,865
OPERATING INCOME	299,571	46,297	345,868
NONOPERATING REVENUE			
Interest	16,465	-	16,465
CHANGE IN NET ASSETS	316,036	46,297	362,333
NET ASSETS (DEFICIT), BEGINNING OF YEAR	914,366	(108,101)	806,265
NET ASSETS (DEFICIT), END OF YEAR	\$ 1,230,402	\$ (61,804)	\$ 1,168,598

**SAGINAW CHARTER TOWNSHIP
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2005**

	HEALTH BENEFIT	MMRMA	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 120,458	\$ -	\$ 120,458
Cash received from interfund services	1,103,166	495,237	1,598,403
Cash payments to suppliers for goods and services	(937,765)	(456,710)	(1,394,475)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	285,859	38,527	324,386
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(623,408)	-	(623,408)
Interest on investments	16,465	-	16,465
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(606,943)	-	(606,943)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(321,084)	38,527	(282,557)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	931,752	(38,527)	893,225
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 610,668	\$ -	\$ 610,668
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income	\$ 299,571	\$ 46,297	\$ 345,868
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in assets:			
Accounts receivable	1,128	-	1,128
Prepaid expenses	(1,952)	-	(1,952)
Increase (decrease) in liabilities:			
Accounts payable	(12,888)	(7,770)	(20,658)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 285,859	\$ 38,527	\$ 324,386

**SAGINAW CHARTER TOWNSHIP
COMBINING BALANCE SHEET
AGENCY FUNDS
MARCH 31, 2005**

	CLEARING ACCOUNT	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	IMPREST PAYROLL
ASSETS				
Cash and cash equivalents	\$ 1	\$ 1	\$ -	\$ 2,531
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Delinquent personal property taxes	-	-	1,289,113	-
Due from others	-	-	-	1,296
TOTAL ASSETS	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,289,113</u>	<u>\$ 3,827</u>
LIABILITIES				
Due to others	\$ 1	\$ 1	\$ 148,984	\$ 3,827
Due to other governmental units	-	-	1,140,129	-
TOTAL LIABILITIES	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,289,113</u>	<u>\$ 3,827</u>

GOLFSIDE	PRIVATE FINANCE CONSTRUCTION	JEOPARDY TAX	CONTRACTORS RETAINED	TOTALS
\$ 1,911	\$ 42,983	\$ -	\$ 14,818	\$ 62,245
354	-	-	-	354
154	-	-	-	154
-	-	-	-	1,289,113
5,081	-	-	-	6,377
<hr/>				
\$ 7,500	\$ 42,983	\$ -	\$ 14,818	\$ 1,358,243
<hr/>				
\$ 7,500	\$ 42,983	\$ -	\$ 14,818	218,114
-	-	-	-	1,140,129
<hr/>				
\$ 7,500	\$ 42,983	\$ -	\$ 14,818	\$ 1,358,243
<hr/>				

**SAGINAW CHARTER TOWNSHIP
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED MARCH 31, 2005**

	Balance April 1, 2004	Additions	Deductions	Balance March 31, 2005
Clearing Account Fund				
Assets				
Cash and cash equivalents	\$ 1	\$ 163,443	\$ 163,443	\$ 1
Liabilities				
Due to others	\$ 1	\$ 163,443	\$ 163,443	\$ 1
Current Tax Collections Fund				
Assets				
Cash and cash equivalents	\$ 1	\$ 41,201,739	\$ 41,201,739	\$ 1
Liabilities				
Due to others	\$ 1	\$ 6,288,978	\$ 6,288,978	\$ 1
Due to other taxing units	-	34,912,761	34,912,761	-
Total liabilities	\$ 1	\$ 41,201,739	\$ 41,201,739	\$ 1
Delinquent Tax Collections Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 116,277	\$ 116,277	\$ -
Delinquent personal property taxes	1,161,710	302,878	175,475	1,289,113
Total assets	\$ 1,161,710	\$ 419,155	\$ 291,752	\$ 1,289,113
Liabilities				
Due to others	\$ 139,841	\$ 31,230	\$ 22,087	\$ 148,984
Due to other taxing units	1,021,869	271,648	153,388	1,140,129
Penalties and interest payable	-	12,252	12,252	-
Total liabilities	\$ 1,161,710	\$ 315,130	\$ 187,727	\$ 1,289,113
Imprest Payroll Fund				
Assets				
Cash and cash equivalents	\$ 267,082	\$ 8,313,244	\$ 8,577,795	\$ 2,531
Due from others	165	1,296	165	1,296
Total assets	\$ 267,247	\$ 8,314,540	\$ 8,577,960	\$ 3,827
Liabilities				
Gross wages-withholdings payable	\$ 267,247	\$ 8,314,540	\$ 8,577,960	\$ 3,827

SAGINAW TOWNSHIP
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED MARCH 31, 2005

Golfside

Assets

Cash and cash equivalents	\$ 2,072	\$ 51,721	\$ 51,528	\$ 2,265
Accounts receivable	311	154	311	154
Due from others	5,129	5,081	5,129	5,081

Total assets	<u>\$ 7,512</u>	<u>\$ 56,956</u>	<u>\$ 56,968</u>	<u>\$ 7,500</u>
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Liabilities

Accounts payable	\$ 12	\$ -	\$ 12	\$ -
Due to others	7,500	-	-	7,500

Total liabilities	<u>\$ 7,512</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 7,500</u>
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Private Finance Construction Fund

Assets

Cash and cash equivalents	<u>\$ 96,203</u>	<u>\$ 1,672,030</u>	<u>\$ 1,725,250</u>	<u>\$ 42,983</u>
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Liabilities

Due to others	<u>\$ 96,203</u>	<u>\$ 1,672,030</u>	<u>\$ 1,725,250</u>	<u>\$ 42,983</u>
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Jeopardy Tax Fund

Assets

Cash and cash equivalents	<u>\$ -</u>	<u>\$ 6,038</u>	<u>\$ 6,038</u>	<u>\$ -</u>
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Liabilities

Due to others	<u>\$ -</u>	<u>\$ 6,038</u>	<u>\$ 6,038</u>	<u>\$ -</u>
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Contractors Retained Fund

Assets

Cash and cash equivalents	<u>\$ 235</u>	<u>\$ 14,583</u>	<u>\$ -</u>	<u>\$ 14,818</u>
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Liabilities

Due to others	<u>\$ 235</u>	<u>\$ 14,583</u>	<u>\$ -</u>	<u>\$ 14,818</u>
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TOTAL - ALL AGENCY FUNDS

Assets

Cash and cash equivalents	\$ 365,594	\$ 51,533,037	\$ 51,836,032	\$ 62,599
Accounts receivable	311	154	311	154
Delinquent personal property taxes	1,161,710	302,878	175,475	1,289,113
Due from others	5,294	6,377	5,294	6,377

Total assets	<u>\$ 1,532,909</u>	<u>\$ 51,842,446</u>	<u>\$ 52,017,112</u>	<u>\$ 1,358,243</u>
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Liabilities

Accounts payable	\$ 12	\$ -	\$ 12	\$ -
Due to others	243,781	8,170,264	8,199,758	214,287
Due to other taxing units	1,021,869	35,184,409	35,066,149	1,140,129
Penalties and interest payable	-	12,252	12,252	-
Gross wages-withholdings payable	267,247	8,314,540	8,577,960	3,827

Total liabilities	<u>\$ 1,532,909</u>	<u>\$ 51,681,465</u>	<u>\$ 51,856,131</u>	<u>\$ 1,358,243</u>
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SAGINAW CHARTER TOWNSHIP
GENERAL AND SPECIAL REVENUE FUNDS
GENERAL GOVERNMENTAL REVENUES AND EXPENDITURES
LAST 10 YEARS

	FISCAL YEAR									
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
REVENUE										
Taxes	\$ 4,600,299	\$ 4,711,279	\$ 5,025,469	\$ 5,249,338	\$ 5,506,722	\$ 5,719,948	\$ 5,941,371	\$ 6,256,233	\$ 6,239,141	\$ 6,544,669
Licenses and permits	389,043	414,647	435,739	485,711	452,147	523,301	564,005	651,257	753,871	792,212
Federal grants	73,134	69,275	40,090	64,040	58,318	93,313	71,635	77,644	39,270	14,496
State shared revenue	2,531,073	3,199,919 (1)	2,868,518	3,068,477	3,350,232	3,498,077	3,650,959	3,399,765	3,104,502	3,070,105
Miscellaneous grants	35,008	66,232	78,598	74,957	77,117	81,034	84,071	86,855	15,618	122,723
Charges for services	1,351,165	1,302,400	1,359,922	1,392,667	1,441,828	1,598,775	1,695,693	1,622,387	1,836,963	1,767,914
Fines and forfeits	216,328	134,463	175,268	162,368	139,081	150,574	141,161	136,131	150,467	138,040
Special assessments	253,965	286,396	288,131	290,263	306,329	360,936	349,985	412,934	456,204	360,401
Interest earnings	272,118	245,265	284,559	296,279	341,159	452,361	252,365	162,955	113,022	146,408
Miscellaneous	234,430	192,371	226,534	183,254	154,570	200,629	213,938	186,357	223,247	346,438
TOTAL REVENUE	<u>\$ 9,956,563</u>	<u>\$ 10,622,247</u>	<u>\$ 10,782,828</u>	<u>\$ 11,267,354</u>	<u>\$ 11,827,503</u>	<u>\$ 12,678,948</u>	<u>\$ 12,965,183</u>	<u>\$ 12,992,518</u>	<u>\$ 12,932,305</u>	<u>\$ 13,303,406</u>
EXPENDITURES										
General government	\$ 1,025,578	\$ 1,107,064	\$ 1,259,652	\$ 1,187,493	\$ 1,189,633	\$ 1,289,079	\$ 1,348,121	\$ 1,443,553	\$ 1,392,275	\$ 1,318,362
Public safety	5,138,131	4,978,531	4,870,010	4,940,325	5,686,535	5,866,820 (2)	5,792,602	6,731,516	6,013,425	6,527,850
Highways and streets	770,903	753,295	986,941	1,137,555	980,286	1,361,869	999,459	974,079	1,158,142	1,000,224
Sanitation/landfill	987,088	1,149,664	1,202,170	1,365,204	1,368,163	1,381,591	1,413,204	1,451,150	1,454,166	1,453,922
Parks and recreation	510,071	566,932	483,297	548,783	627,005	570,490	609,878	738,057	980,994	870,592
Culture/Library	409,847	420,445	551,152	533,633	568,959	617,386	607,658	666,584	684,767	684,118
Employee benefits-General	533,023	559,330	581,869	616,233	645,696	548,674	629,135	754,113	803,573	826,737
Transit service/other	22,331	31,665	32,857	48,194	35,538	35,338	19,229	26,955	25,999	55,681
TOTAL EXPENDITURES	<u>\$ 9,396,972</u>	<u>\$ 9,566,926</u>	<u>\$ 9,967,948</u>	<u>\$ 10,377,420</u>	<u>\$ 11,101,815</u>	<u>\$ 11,671,247</u>	<u>\$ 11,419,286</u>	<u>\$ 12,786,007</u>	<u>\$ 12,513,341</u>	<u>\$ 12,737,486</u>

Notes: (1) Includes state revenue sharing prior period adjustment of \$416,000
(2) Includes public safety building construction of \$683,812

Source: CAFR

SAGINAW CHARTER TOWNSHIP
PROPERTY VALUATION, TAX RATES, TAX LEVIES AND COLLECTIONS (UNAUDITED)

LAST TEN YEARS

TAX ROLL DATE	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
ASSESSED VALUATION (1)										
Real property	\$1,261,137,200	\$1,183,034,100	\$1,110,646,200	\$1,045,229,000	\$992,985,500	\$942,200,800	\$897,736,400	\$855,226,200	\$788,858,600	\$751,108,400
Personal property	75,085,500	77,228,500	80,547,600	79,088,200	75,087,900	72,681,000	67,058,900	64,747,200	62,133,500	59,356,300
Total Assessed	\$1,336,222,700	\$1,260,262,600	\$1,191,193,800	\$1,124,317,200	\$1,068,073,300	\$1,014,881,800	\$964,795,300	\$919,973,400	\$850,992,100	\$809,464,700

RATIO OF STATE EQUALIZED VALUATION TO ASSESSED VALUE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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STATE EQUALIZED VALUATION (EQUAL TO ASSESSED VALUATION)										
S.E.V. ADJUSTED FOR ABATEMENTS/ TAXABLE VALUE (2)										
Homestead	\$756,757,260	\$719,355,101	\$690,190,016	\$649,145,534	\$609,046,364	\$580,242,139	\$555,406,541	\$529,123,328	\$502,625,000	\$478,773,079
Non-Homestead	438,684,278	422,697,089	412,474,197	399,626,123	385,186,898	374,864,877	356,684,016	344,829,008	327,572,648	318,665,444
Total adjusted Value	\$1,195,441,538	\$1,142,052,190	\$1,102,664,213	\$1,048,771,657	\$994,233,262	\$955,107,016	\$912,090,557	\$873,952,336	\$830,197,648	\$797,438,523

PROPERTY TAX RATES PER \$1,000 S.E.V. ALL DIRECT AND OVERLAPPING GOVERNMENTS										
Combined County and I.S.D.										
Delta College	\$9.7219	\$9.3237	\$9.2907	\$9.2952	\$8.7266	\$8.77190	\$8.65471	\$8.65471	\$8.71084	\$8.67794
Schools-Debt and State Tax	2.0427	2.5427	2.5427	2.5427	2.0427	2.04270	2.04270	2.04270	2.04270	2.04270
Combined Township	8.5000	7.5000	8.5000	8.5000	8.5000	8.50000	8.50000	8.50000	8.50000	8.50000
Total Homestead rate (3)	5.2155	5.2155	5.4360	5.4360	5.5360	5.53600	5.43600	5.43600	5.43600	5.43601
	25.4801	24.5819	25.7694	25.7739	24.8053	24.85060	24.63341	24.63341	24.68354	24.65665
Schools Non-Homestead rate	18.0000	18.0000	18.0000	18.0000	18.0000	18.00000	18.00000	18.00000	18.00000	18.00000
Total Non-Homestead rate	\$43.4801	\$42.5819	\$43.7694	\$43.7739	\$42.8053	\$42.85060	\$42.63341	\$42.63341	\$42.68954	\$42.65665

PROPERTY TAX LEVIES, ALL DIRECT AND OVERLAPPING GOVERNMENTS										
Combined County and I.S.D.										
Delta College	\$11,621,626	\$10,647,425	\$10,244,371	\$9,748,392	\$8,676,128	\$8,378,104	\$7,893,880	\$7,563,804	\$7,231,719	\$6,920,125
Schools-Debt and State Tax	2,442,374	2,903,853	2,803,669	2,666,635	2,030,846	1,950,997	1,863,127	1,785,222	1,695,845	1,628,927
-Non-Homestead operating	10,162,322	8,565,423	9,372,563	8,914,478	8,450,799	8,118,410	7,752,783	7,428,609	7,056,680	6,778,238
Combined Township	7,895,517	7,608,744	7,424,530	7,193,265	6,933,357	6,747,568	6,420,312	6,206,922	5,896,308	5,735,978
Special assessments	6,137,554	5,856,081	5,874,073	5,582,712	5,384,697	5,171,183	4,935,631	4,722,716	4,450,945	4,334,882
Total levy	2,328,240	2,278,121	2,368,718	2,337,833	2,299,815	2,113,614	2,029,320	1,939,830	1,465,230	1,416,866
	\$40,587,633	\$37,859,647	\$38,087,924	\$36,443,315	\$33,775,642	\$32,479,876	\$30,895,353	\$29,647,103	\$27,796,727	\$26,815,016

TAX COLLECTIONS TO MARCH 1	\$38,553,330	\$36,499,231	\$36,567,092	\$35,001,909	\$32,471,845	\$31,379,055	\$29,666,962	\$28,499,123	\$26,823,531	\$25,853,275
% COLLECTED TO MARCH 1	94.99%	96.41%	96.01%	96.04%	96.14%	96.61%	96.02%	96.13%	96.50%	96.41%

- (1) Assessed valuation is after all Board of Review adjustments. State Equalized Valuation represents 50% of Market Value.
- (2) For years after 1994 taxable valuation under proposal A limits growth in SEV on individual properties to the CPI until a sale takes place.
- (3) Proposal A passed by the Michigan voters in 1994 provides for a lower school tax rate for property occupied by the owners as homestead property.

Source: Saginaw Charter Township Assessor's Certified Warrant and CAFR

SAGINAW CHARTER TOWNSHIP

TAX COLLECTION HISTORY - COMBINED TOWNSHIP TAX LEVY (UNAUDITED):

LAST TEN YEARS

YEAR ENDED MARCH 31,	TAX LEVY	COLLECTIONS DURING FISCAL YEAR OF LEVY		COLLECTION OF PRIOR YEAR'S TAX DURING FISCAL YEAR	COLLECTIONS THRU 3/31/05	
		AMOUNT	%		AMOUNT	%
2005	\$6,137,554	\$5,839,565	95.14		\$5,839,565	95.14
2004	5,856,081	5,601,456	95.65	\$230,180	5,831,636	99.58
2003	5,874,074	5,602,842	95.38	4,074	5,850,318	99.59
2002	5,582,712	5,305,958	95.04	2,906	5,559,491	99.58
2001	5,384,697	5,112,823	94.95	460	5,338,147	99.14
2000	5,171,183	4,954,977	95.82	800	5,169,140	99.96
1999	4,935,931	4,693,822	95.09	55	4,933,582	99.95
1998	4,722,715	4,511,451	95.53	0	4,718,003	99.90
1997	4,450,945	4,268,273	95.90	0	4,447,646	99.93
1996	4,334,882	4,149,735	95.73	0	4,330,825	99.91

Source: CAFR

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (UNAUDITED):

LAST TEN YEARS

FISCAL YEAR	SPECIAL ASSESSMENT BILLINGS	SPECIAL ASSESSMENTS COLLECTED (1)
2005	\$0	\$0
2004	0	0
2003	0	0
2002	0	0
2001	0	0
2000	0	0
1999	0	0
1998	0	0
1997	0	0
1996	9,101	9,101

Only special assessments with related debt are included

SAGINAW CHARTER TOWNSHIP
REVENUE BOND CONTRACTS COVERAGE
WASTE WATER FUND

Last Fifteen Fiscal Years (Unaudited)

Fiscal Year	(1) Gross Revenues	(2) Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	\$2,108,899	\$1,574,314	\$ 534,585	\$ 190,000	\$ 145,303	\$ 335,303	1.59
1992	2,246,588	1,856,079	390,509	234,220	228,403	462,623	.84
1993	1,937,928	1,802,760	135,168	267,640	321,326	588,966	.23
1994	2,097,749	2,035,902	61,847	495,162	319,462	814,624	.08
1995	2,278,676	1,675,367	603,309	485,915	303,327	789,242	.76
1996	2,400,344	2,027,237	373,107	503,515	282,119	785,634	.48
1997	2,346,121	2,143,742	202,379	477,345	265,527	742,872	.27
1998	2,842,100	2,289,157	552,943	348,878	234,023	582,901	.95
1999	3,314,416	2,176,077	1,138,339	(3) 401,143	223,734	624,877	1.82
2000	3,245,327	2,707,921	537,406	374,254	189,531	563,785	.95
2001	3,398,574	2,653,514	745,060	396,163	184,361	580,524	1.28
2002	3,378,512	2,796,898	581,614	409,882	177,423	587,305	.99
2003	3,594,941	2,655,825	939,116	(3) 428,090	166,535	594,625	1.58
2004	3,964,591	2,877,983	1,086,608	436,905	151,774	588,679	1.85
2005	4,026,516	3,020,673	1,005,843	448,572	141,253	589,825	1.71

- (1) Total revenues including interest and excluding contributed capital
(2) Total operating expenses exclusive of depreciation but including transfers to the General Fund for administration.
(3) Rate increase

Source: CAFR

SAGINAW CHARTER TOWNSHIP
PROPERTY VALUATION (UNAUDITED)
AND PRINCIPAL TAXPAYERS

	DECEMBER 2004 TAXABLE VALUATION	% OF TOTAL VALUATION
TOP 10 TAXPAYERS - REAL AND PERSONAL PROPERTY VALUATION:		
J G Saginaw LLC/Fashion Square Mall	\$23,385,000	1.87
Consumers Energy	15,140,000	1.21
West Valley LTD/West Valley Mall	6,641,100	0.53
Fox Glen Apartments	5,781,900	0.46
New Plan Realty/Fashion Corners Mall	4,985,400	0.39
Normandy Square Apartments	4,840,900	0.38
Sears Roebuck & Co.	4,818,200	0.38
Camelot Place Associates	4,336,200	0.34
New Plan Excel Realty/Green Acres Plaza	4,295,300	0.34
AIG Baker/Walmart	4,276,500	0.34
	<u>\$78,500,500</u>	<u>6.24</u>

TAXABLE VALUATION BY CLASSIFICATION AND NUMBER OF PARCELS:

	MARCH 2005 VALUATION	REAL AND PERSONAL PARCELS	% OF TOTAL VALUATION
Agriculture	\$260,574	17	0.02
Commercial	364,020,182	2,838	29.17
Industrial	7,724,800	27	0.62
Residential	856,691,051	13,032	68.65
Utility	16,025,300	2	1.28
Developmental	3,194,501	53	0.26
Exempt	0	263	0.00
TOTAL	<u>\$1,247,916,408</u>	<u>16,232</u>	<u>100.00</u>

Source: Saginaw Charter Township Assessor's Office
Values are after the March Board of Review

SAGINAW CHARTER TOWNSHIP

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (UNAUDITED)

March 31, 2005

JURISDICTION	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SAGINAW TOWNSHIP	AMOUNT APPLICABLE TO SAGINAW TOWNSHIP
Direct			
Township of Saginaw	\$4,777,291	100.00%	\$4,777,291
Less debt payable from enterprise revenues	<u>(4,777,291)</u>		<u>(4,777,291)</u>
Net tax supported debt	0		0
Overlapping (1)			
Saginaw Township Schools	15,995,000	100.00	15,995,000
Saginaw County	56,104,064	25.87	14,514,121
Saginaw Intermediate School District	<u>4,000,000</u>	<u>26.21</u>	<u>1,048,400</u>
TOTAL	<u>\$76,099,064</u>		<u>\$31,557,521</u>

(1) Source: Michigan Advisory Council

COMPUTATION OF LEGAL DEBT MARGIN FOR ISSUANCE OF BONDS (UNAUDITED)

March 31, 2005

STATE EQUALIZED VALUE - December 31, 2004	<u>\$1,384,232,800</u>
Charter Township limit on outstanding general obligation debt:	
Debt limitation - 10 percent of total state equalized value	\$138,423,280
Debt applicable to limitation:	<u>0</u>
Legal debt margin	<u>\$138,423,280</u>

Source: Saginaw Charter Township Assessor's Office

SAGINAW CHARTER TOWNSHIP

RATIO OF BONDED DEBT TO STATE EQUALIZED VALUE
AND BONDED DEBT PER CAPITA (FROM CAFR) (UNAUDITED)

Fiscal Periods 1989-90 to 2004-2005

Fiscal Periods 1989-90 to 2004-2005											
YEAR ENDED MARCH 31,	ESTIMATED POPULATION	STATE EQUALIZED VALUATION	GROSS BONDED DEBT	TOWNSHIP-AT-LARGE			RATIO OF:		PER CAPITA		
				LESS DEBT PAYABLE FROM DEBT SERVICE FUNDS	ENTERPRISE REVENUES	SHARE OF SPECIAL ASSESSMENTS	BONDED DEBT TO EQUALIZED VALUE		DEBT		
							GROSS	NET	GROSS	NET	
1990	40,550	\$612,107,400	\$4,882,567	\$ 2,282,567	\$ 2,600,000	\$ 724,468	\$	0.78	0.12	\$ 120.41	\$ 17.87
1991	37,684	676,868,300	11,716,276	1,862,191	9,854,085	678,713		1.73	0.10	310.91	18.01
1992	37,600	688,538,900	10,976,678	1,356,813	9,619,865	663,305		1.59	0.10	291.93	17.64
1993	37,921	739,086,500	10,318,661	966,436	9,352,225	659,105		1.40	0.09	272.11	17.38
1994	38,465	766,157,600	9,408,451	626,058	8,782,393	654,905		1.23	0.08	244.60	17.03
1995	39,490	809,651,100	8,480,387	178,221	8,296,478	474,558		1.05	0.05	214.75	12.16
1996	39,927	851,685,000	7,792,963	0	7,792,963	0	0	0.92	0.00	195.18	0.00
1997	38,266	920,180,200	7,162,202	0	7,162,202	0	0	0.77	0.00	187.17	0.00
1998	38,955	964,795,300	7,293,335	0	7,293,335	0	0	0.76	0.00	187.22	0.00
1999	39,090	1,014,955,700	7,048,879	0	7,048,879	0	0	0.69	0.00	180.32	0
2000	39,154	1,068,073,300	6,808,257	0	6,808,257	0	0	0.64	0.00	173.88	0
2001	39,657	1,124,768,100	6,512,462	0	6,512,462	0	0	0.58	0.00	164.22	0
2002	39,942	1,191,193,800	6,108,590	0	6,108,590	0	0	0.51	0.00	152.94	0
2003	40,339	1,260,262,600	5,622,794	0	5,622,794	0	0	0.45	0.00	139.39	0
2004	40,774	1,336,222,700	5,220,072	0	5,220,072	0	0	0.39	0.00	128.02	0
2005	41,155	1,384,232,800	4,777,291	0	4,777,291	0	0	0.35	0.00	116.08	0

NOTE: The above schedule does not reflect any "overlapping debt" regarding bonds issued by the Saginaw Township Community School District.

The State Equalized Valuation is as of the last day of the fiscal year and does not include Final Board of Review or Tax Tribunal adjustments.

Saginaw Township has no general bonded debt. All outstanding debt is supported by enterprise fund revenues.

SAGINAW CHARTER TOWNSHIP

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended	State Equalized Value			Commercial Construction (2)			Residential Construction		
	Real and Personal Property Value (1)		Agricultural	Number of		Value	Number of		Bank Deposits (3)
	Commercial	Residential		Permits	Value		Permits	Value	
1996	\$ 285,677,300	\$ 561,777,700	\$ 4,230,000	127	\$ 16,073,726		367	\$ 16,497,380	\$ 1,658,558,000
1997	315,251,600	597,858,300	7,070,300	106	9,585,146		378	25,690,462	2,585,383,000
1998	322,529,400	635,856,600	6,409,300	97	7,325,299		358	22,612,592	2,628,995,000
1999	336,303,000	672,393,400	6,259,300	160	27,815,626		388	18,864,350	2,690,232,000
2000	353,656,600	708,213,700	6,203,000	132	13,924,773		408	21,949,236	2,752,895,000
2001	362,267,900	757,109,300	5,390,900	87	13,707,897		407	25,863,850	1,759,000,000
2002	383,669,800	802,192,200	5,331,800	82	14,926,179		310	21,352,206	1,723,000,000
2003	410,736,400	838,888,200	10,638,000	98	12,093,180		452	25,708,718	1,730,000,000
2004	413,563,600	913,745,100	8,914,000	104	9,207,715		555	34,310,430	1,725,000,000
2005	425,747,400	949,778,400	8,707,000	111	11,518,131		461	24,789,600	1,717,000,000

(1) Commercial includes Industrial and Utility, Agricultural includes Developmental and Timbercut.

(2) Source is Saginaw Charter Township Annual building Report. Residential construction includes new homes and additions.

(3) Source: Citizens Bank (Total Saginaw County Deposits) prior to FY 2000, FDIC Depository Statistics after that date.

SAGINAW CHARTER TOWNSHIP

MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

General Information

Located in Saginaw County adjacent to the northwest boundaries of the City of Saginaw
26.5 square miles
Population of 39,657 (2000 U.S. Census)

Government

Charter Township
7 elected Board Members
Appointed, professional Manager
116 full-time employees

Planning and Zoning

Comprehensive Development Plan and Zoning Ordinance adopted in 1971
Both planning documents are regularly updated and consistently enforced

Police Department

39 full-time officers, with a management and support staff of 11
18 patrol cars

Fire Department

3 fire stations and 1 central office
6 full-time employees and a professionally trained volunteer force of 82 firefighters
14 firefighting vehicles

Water

Supplied from Lake Huron and purchased from City of Saginaw
Design capacity-10 million gallons per day (peak consumption to date is 7 million gallons per day)

Sanitary Sewer

Local sewage treatment facility available to approximately 3/4 of Saginaw Township

Energy

Electricity and natural gas supplied by Consumers Energy Company
Electric capacity-6,836,800 kilowatts
Natural gas capacity-2,800,000 mcf per day
No restriction foreseen in supplying new customers

Public Schools

Saginaw Township Community Schools provide K-12, Adult Education and Community Education programs
Enrollment for 2004-05 is 5,155
There are 6 elementary schools, 1 middle school and 1 high school
Extensive programs offered to students with special needs and the gifted
High school students have access to vocational training through the Saginaw Career Complex
Students at all levels consistently score well above average on state and national level assessment tests

Private and Parochial Schools

1-Catholic high school, 1 elementary
1-Lutheran high school, 3 elementary

Medical Facilities

Doctors
Dentists
Optometrists 112 offices
Veterinarians 56 offices
4 Area Hospitals 11 offices
Covenant Health, Mac 5 offices
Oncology F 1,493 beds
St. Mary's Ambulatory Center

Library

Owned and supported by Saginaw Charter Township
Operated by the Saginaw Public Library System
Provides access to over 713,817 books in 5 branches and 132,000 locally

Fieldhouse

Center Courts Fieldhouse and Community Center

Parks

Olson Recreational Center (29 acres)
Harvey Randall Wickes Recreation Complex (146 acres)
Immerman Memorial Park (96 acres)
William H. Haithco Recreation (71 acres)
Center Road Boat Launch
Soccer Complex (60 acres)
Playscape park (3 acres)
9 neighborhood parks

Golf courses

2 Eighteen Hole, 1 Nine Hole



**INDEPENDENT AUDITORS' REPORT ON CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

June 9, 2005

Members of the Township Board
Saginaw Charter Township
Saginaw, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of *Saginaw Charter Township* as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents and have issued our report thereon dated June 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered *Saginaw Charter Township's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of *Saginaw Charter Township* in a separate letter dated June 9, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Saginaw Charter Township's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the Township Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large, prominent 'L' at the beginning.



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

June 9, 2005

Saginaw Charter Township
4930 Shattuck Rd.
Saginaw, MI 48603

In planning and performing our audit of the financial statements of the ***Saginaw Charter Township*** for the year ended March 31, 2005, we considered the Township's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. (A separate report dated June 9, 2005, contains our report on the Township's compliance and internal controls). This letter does not affect our report dated June 9, 2005, on the financial statements of the ***Saginaw Charter Township***.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Township personnel, and we will be pleased to discuss these comments in further detail at your convenience, or perform any additional studies of these matters, or to assist you in implementing the recommendations.

SAGINAW CHARTER TOWNSHIP

COMMENTS AND RECOMMENDATIONS

I. OUTSTANDING CHECKS

While examining bank reconciliations we noted a number of insignificant checks that have been outstanding for several years.

Recommendation:

We recommend that the Township research each of these checks and take appropriate action, including following procedures for escheating the funds to the State of Michigan.

Management Response:

Management of the Township is taking measures to locate the whereabouts of the recipient's of the outstanding checks and determining whether the checks need to be escheated to the State or voided and reissued.

II. PHYSICAL INVENTORY COUNT

During our audit procedures it was noted that the physical inventory count of the general funds Motor Vehicles Equipment Pool (MVEP) parts does not agree to the amount recorded on the general ledger. We also noted that several of the MVEP parts on the physical inventory count listing did not contain prices.

Recommendation:

We recommend that when the physical inventory count is taken the corresponding inventory account be adjusted to match the detailed inventory listing/count. We also recommend that each item that is listed on the inventory count sheet be assigned a value according the FIFO (First-in, First-out) method.

Management Response:

Management is investigating a solution by computerizing the inventory which should provided for a better system of record keeping so that all items will be tracked and the appropriate values will be assigned.

SAGINAW CHARTER TOWNSHIP
COMMENTS AND RECOMMENDATIONS

III. ECONOMIC DEVELOPMENT COMMISSION

During our audit procedures we noted that the Economic Development Commission (EDC) is currently paying more in banking fees than it is receiving in interest income.

Recommendation:

We recommend that the EDC either move the funds they have at their current financial institution or discuss the issue with the financial institution of possibly waiving the fees.

Management Response:

The management of the Township and the Economic Development Commission are in the process of evaluating the financial institution and trying to determine a way in which banking fees will be less costly to the EDC.